THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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EUROPE'S REVIVAL WOULD ASSIST IN RECOVERY HERE

Operation of Dawes Plan Should Expand Markets for Our Products

CROP OUTLOOK BETTER

Prospective Increase in Revenue From Grain Crops Over 1923 Despite Lower Yield

While the progress and prospects of the crops remain the dominant issue of business interests in Canada, a new issue of importance has developed in the prospective outcome of the international conference now in session in London. Business has been following the developments of the conference with keen interest and apparently takes the view that its success would mean a great deal to Canada and to the entire world.

The most evident advantage to Canada of a settlement of the European situation, apart, of course, from the benefits arising out of a general recovery in world trade, is the expansion which would result in the markets for our foodstuffs and raw materials. Prior to the war, Germany took a large and increasing volume of our mineral output in addition to many other raw materials. The other countries of western Europe also were large buyers of Canadian materials and products. During recent years these countries have been able to buy only small quantities of Canadian products partly on account of industrial depression which crippled their industries and partly because of their currency depreciation. It is generally recognized that a successful settlement of the European situation, prospects for which are now brighter than for some time, would mean a gradual but definite revival in purchasing power and demand in the countries of Western Europe. With the stabilization of currencies for which the Dawes Plan provides, there should be a gradual expansion in the imports of Canadian products. It is significant that even under the existing handicap purchases of Canadian products by France, Germany and Italy are expanding materially. This indicates what may be expected to result from commercial recovery and currency stabilization in these countries, and it indicates also the reason why business has followed the London conference with interest.

Crop Outlook Better

While it is yet too early for the rising prices of wheat to have a material effect upon the general business situation, the psychological effect is already operative. The recent rains have made a decided improvement in the Western grain and there is a general feeling that a much worse situation has been narrowly averted.

Certain districts will undoubtedly suffer heavily through the decrease in yield, and, while it is little comfort to those farmers who have found it necessary to plow up their wheat, present prices seem to assure a total revenue from the crop possibly even greater than that of last year. As pointed out elsewhere in this issue, the revenue to transportation companies and elevator owners will be somewhat lower, but the farmer's share of the returns will be greater, and this is the factor in which business is particularly interested. It is the purchasing power of the farmer that is now out of alignment.

Since the farmer of the West has been doing without luxuries and extras during the past two or three years and since stocks in many lines are low, it is expected that the sale of the crop will be the signal for an increased buying movement, except in those areas where the crop has been a failure. While implement and binder twine firms are looking for a contraction in business, motor car distributors and similar organizations are canvassing the situation with the expectation of greater business during the coming months.

General Trade Conditions

Although there are some sections in which local business is reported to be progressing favorably, no material change has yet taken place in the general business situation which remains quiet. The number of Canadians who are returning from the United States each month is still large. The present rate is in the neighborhood of 5,000 per month. While this increases the unemployment for the time being, it also increases the buying power of the country, and is certainly an asset, in the end, rather than a liability. At this time last year there was an average of 5,000 a month leaving Canada to reside permanently in the United States, according to information received from the United States Department of Immigration.

Canadian Conditions

Car Loadings—
Week ending July 26—

	1924	1923	
	49,696	51,366	— 3.2%

—Year to date—

	1924	1923	
	1,604,966	1,490,027	+ 7.7%

Building—Six Months—

	1924	1923	
	$51,567,519	$62,581,842	—17.5%

Bank Clearings—Six Months—

	1924	1923	
	$7,399,117,549	$7,342,943,497	+ 0.8%

Grain Movement—Receipts to date—

	1923 crop	1922 crop	
	425,751,332	313,257,645	35.9%

Savings Deposits—Chartered Banks, May

	1924	1923	
	$1,204,816,866	$1,231,001,480	— 2.1%

Current Loans—By Banks, May—

	1924	1923	
	$989,305,863	$1,083,067,185	— 8.6%

Net Dominion Debt—

	1924	1923	
	$2,389,912,241	$2,409,001,572	— 0.8%

Railway Earnings—Six Months—

	1924	1923	
C.P.R.	$ 81,831,000	$ 77,951,000	+ 4.9%
C.N.R.	114,862,559	115,913,120	— 0.9%

Balance of Trade—Twelve Months, June—

	1924	1923	
Exp.	$1,062,243,790	$981,984,851	+ 8.1%
Imp.	854,944,878	864,172,897	— 1.0%
Bal.	207,298,912	117,811,954	+75.9%

RECENT RAINS BENEFITED CROPS OVER LARGE AREA

Manitoba and South Saskatchewan Have Recovered Materially as a Result

Pessimistic reports of crop conditions in the West have been quieted at least temporarily by the abundant rainfall of the last week and also by the proof that the rust reports were mere fabrication. The much needed moisture and satisfactory growing weather have added very materially to the value of the crop, and, while some of the wheat which was sown on stubble has been plowed up, there is reason to believe that such is a small percentage, indeed, of the total. Assurance increases that the total value of the present wheat crop will exceed last year's figure, and that in Manitoba and Saskatchewan at least, it will place the farmer on a reasonably sound footing. This after all is the issue which concerns the country as a whole.

With regard to the expected shortage in the world supply of wheat one factor should not be lost sight of and that is the ready facility with which demand conforms to supply. This point is emphasized in a recent News Letter of the National Bank of Commerce of New York, which states in part:

> There seems as yet little ground for the fear that even with a world crop now estimated at 10 per cent. below that of 1923 an actual shortage will develop during 1924-25.
>
> The events of the year have shown again the amazing adaptability of demand to supply. With a crop in the chief importing countries of Europe in 1922 almost 190,000,000 bushels below that of the previous year, imports increased only a little over 20,000,000 bushels, while an increase of 160,000,000 in the 1923 crop was followed by a reduction in imports of only about 60,000,000 bushels. The figures indicate that imports fail to make up the full deficiency of a short crop, while in a season when the crop is good they tend to run higher than the quantities imported in a poor crop year would indicate to be necessary. Especially is this true if, as in 1923, the world supply is large and the price moderate.
>
> In addition to unexpectedly large takings by European countries, the world situation was eased by record purchasing from the Orient during the last year. Exports of wheat and flour

(Continued on page 13)

BIG DECLINE IN CUSTOMS RECEIPTS

Falling Off is Much Greater Than Anticipated by the Government

From Our Own Correspondent.

OTTAWA.—The customs collections are being followed month by month with keen interest, there being much curiosity to see how they compare with estimates made by the government as to the probable loss of revenue during the year. So far they show that these estimates were away out.

When the Budget was first brought down it was said incidentally in the House that the loss in revenue, as estimated by departmental officials, would be about $800,000 during the course of the year. Later on after all the reductions had been announced this estimate was increased to slightly under $1,300,000. Up to the end of July, that is for four months, customs collection had declined to the extent of approximately $4,780,000.

While the preliminary returns show a decrease of $638,000 in Canadian customs collections during July as compared with those of July, 1923, those for the United States show an increase of nearly $300,000. In the United States customs is apparently the only source of revenue that is increasing, income and profits taxes during July over there having been $3,500,000 below those for the same month last year, while miscellaneous internal revenue decreased by over $9,000,000.

The total federal expenditures chargeable against ordinary receipts in the United States last month were over $34,000,000 less than in July, 1923. In this country there was very little decrease in expenditure last month.

LAMENTATIONS OF JEREMIAHS OUT OF ORDER

Crop Situation Better Than It is Being Painted

NOT BY WHEAT ALONE

Canada's Production From Mines, Forests and Other Sources Puts Agriculture in Less Important Position

From Our Own Correspondent.

OTTAWA.—The indications are increasing that the Jeremiahs, following reports of a much smaller crop of wheat in the West than last year, are making ready to utter some loud lamentations. If those fully acquainted with the facts of the actual business situation in the country are on to their job, the Jeremiahs will soon be silenced.

Unless the bottom drops out of the wheat market, which is very improbable, this year's wheat crop will bring more money than last year's did. After all, this is the thing that counts.

Some parts of the West will undoubtedly suffer much through the decrease in the yield, but the purchasing power of the West as a whole will not be as much affected as many think. At the end of 1923 the Bureau of Statistics estimated that the 470,000,000 bushels wheat crop, 70,000,000 larger than the country had ever produced before, was worth to the farmers only $315,000,000. Of course, that was before prices began to rise, the average price received by the farmer being then given as only 67 cents a bushel. In reality he got more, but the point is that the biggest crop that Canada ever produced didn't give business nearly as much money as the quantity suggests.

The railways, the vessel owners and the elevator interests will probably feel most the reduction in the yield. There is no doubt about it that with 150,000,000 bushels of wheat less to handle, quite a crimp will be put into railway earnings. And as expenses cannot be cut in the same proportion the net will not be as good. The same holds true of the other interests mentioned.

Not by Wheat Alone

And Canada does not live by wheat alone. This is not the country it used to be, though many Canadians have not awakened to this fact. At present probably more capital is coming into the country during the course of a month for industrial development, than used to come in during seven or eight months 30 years ago. It should be borne in mind that the capitalists of other countries consider Canada one of the best bets in the world, and they are putting their money on us. This alone should keep us fairly busy.

But important as is agriculture, it is not of such vital importance to the whole business of the country as it was 25 or 30 years ago. The reason is that our industrial life has become much more diversified. The mines, the forests, the water powers and manufacturing, all these are contributing to the industrial activity of the country in a way not thought of a quarter of a century ago.

Mines and Forests

Take mining. Thirty years ago the value of the mineral production for the whole of Canada was only $20,000,000, or at the rate of $4.04 per capita. Last year it was $215,000,000, or $24 per capita. Take the pulp and paper industry. Thirty years ago it hardly existed; now it represents an investment of about $300,000,000, the value of its annual production being $190,000,000. Hydro-electric development is another good example of the change that has taken place. Thirty years ago this was hardly appreciable, the developed horsepower being hardly more than 150,000 at that time. Now it is over 3,200,000 horsepower. Then the capital investment was represented by a comparatively few millions, to-day it runs close to $800,000,000.

Eastern Canada to-day is not dependent on agriculture to anything like the extent it was a quarter of a century ago. Ontario is a splendid example of the change that has taken place. The mineral resources of that day produced not more than a few millions in wealth during the course of a year. Now Northern Ontario comes through with about $25,000,000 of gold alone, while the other mineral production of the province represents over $55,000,000.

Seminary Backs D.U.R. With Another Million

From Our Own Correspondent.

MONTREAL.—While officials of Detroit United Railway have expressed themselves optimistically concerning the company's future, local stock market opinion is depressing. The company needs a couple of million dollars of new capital. The local seminary which controls most of the D. U. R. stock is ready to put up half of the total, which will leave another million to be raised in some other direction.

BESCO'S STRUGGLE GIVING INVESTORS CAUSE FOR WORRY

Management Being Blamed for Situation, Which May be Unfair

MARKETS NEEDED

Money for Extensions and Betterments Would be Forthcoming if Orders Were to be Had for the Plants

From Our Own Correspondent.

MONTREAL.—Disappointment and chagrin at the poor showing being made by British Empire Steel Corporation is spreading beyond the stock market, and various newspapers in the Maritimes and in Quebec are asking governmental intervention to put the company in the hands of people they feel can give it improved management. For there seems to be no hesitancy on the part of the papers referred to to blame the company's present weak financial position on the present management. The Halifax Herald is emphatic in demanding that the enterprise be salvaged. The Sydney Post, which has never been friendly, considers the present situation a crisis. The Quebec Chronicle feels that if the directors "are unable to offer an effective remedy for the present evils, strong steps ought to be taken in order to put this important part of industrial Canada again on a sound footing."

Working Capital is Low

That British Empire Steel is in anything but a strong condition is widely recognized. Working capital is very low; almost low to a dangerous point. Earnings are far from satisfactory, despite drastic curtailments in expenditures. There is now doubt whether the enterprise will earn its bond interest this year, although it is expected that interest on all the funded debts will continue to be met regularly.

But while there is much of a tendency to place the blame for the apparent failure of the Besco merger on the president, Roy M. Wolvin, and his associates, now in control of the corporation's affairs, it is doubtful if this is altogether fair. The most powerful financiers in the country and the best industrial executives might have had some difficulty in earning big profits for Besco in these past two or three years of "famine" in the steel business in Canada. The people behind Besco have had fundamental conditions in steel against them. It is hardly fair to point to the high ranking of the stocks of Dominion Steel, Nova Scotia Steel and Coal, and Dominion Coal, before the merger, and to compare them with the securities of Besco that are now kicking around the markets friendless and unwanted. It is not altogether certain that the trouble lies in the fact that the companies were merged.

It is stretching the point too much to say, as is being said, that "the management is struggling feebly with an unwieldy project," and that the company is "in the throttle hold of incompetent hands."

Markets Would Bring Money

Besco may need something better in management; up to a certain point that statement is not without truth, but it is vastly more important that it should have money, and that it should have markets. There is no cash in the treasury to put in extensions and betterments, and hardly enough cash to pay current bills as they fall due. Given more money, Besco might be able to find wider markets, but the markets are even more important than new money. If Besco could get orders to keep its plants running anywhere near capacity, money would be forthcoming from any number of sources.

The situation as it is to-day is decidedly disconcerting to shareholders. It is difficult to advise the shareholder as to whether he ought to hold on or get out while the getting is comparatively good. Most of the shareholders seem to think that the latter is the course to pursue. The market seems to indicate as much.

Before any shareholder makes up his mind, though, he ought to consider the fact that this is the cycle of famine in the steel industry, and that when fundamental conditions improve Besco is certain to get its share of the orders and consequent prosperity. That fact ought to be weighed with the more depressing facts that are apparent.

Silk Glove Makers May Join in Big Consolidation

MONTREAL. — It is understood that a merger is in process of formation of practically all of the leading silk glove manufacturers of the Dominion.

Back of the consolidation is the thought that lower manufacturing costs and improved distribution will be the result of centralized management.

AIR LINE FOR N. ALBERTA

EDMONTON. — The Edmonton and Grande Prairie Aircraft Company has been incorporated with an authorized capital of $20,000

Growing British Market For Alberta's Butter

EDMONTON.—Shipments of Alberta creamery butter continue to be forwarded direct from Alberta producers to the British market. This movement assumed some proportions last year and the marketing of the butter direct by the Alberta manufacturers proved very satisfactory. Recently three carloads left Edmonton for the Old Country, and other shipments have been made from Calgary. The increasing popularity of the Alberta product on the British market was demonstrated by Hon. Geo. Hoadley, who, on his return from Britain, brought back with him offers to handle large quantities of Alberta butter, provided the supply could be made continuous throughout the year. This is a problem which is being taken under consideration.

BAY BONDHOLDERS NOT TO GET NEW SECURITIES NOW

But Port Alfred Company Assumes Their Issue

MONTREAL.—R. O. Sweezey was announced this week as president of the new Port Alfred Pulp and Paper Company which has taken over the Port Alfred plant of the Bay Sulphite Company. The new arrangement seems to insure that Bay Sulphite bondholders will continue to draw interest regularly, as has been the case ever since Bay Sulphite went into liquidation. The formation of the new company will not be followed at once, as has been thought by many people, by an exchange of bonds of the new company for bonds of Bay Sulphite Company now outstanding. This arrangement may come in time, but is not on the boards at present.

Bay Sulphite was the last of the sulphite companies to go into liquidation, and is the first one to clean up its affairs and start the bondholders off again with assurance of protection for their investment. Never during the period of its liquidation has it failed to earn its bond interest. In fact its troubles were due to difficulties almost beyond its control. It lost heavily in the failure of the English paper house of Becker—dropped around a million dollars there, but has now managed to straighten out its tangles.

The St. Lawrence Complication

The reason why a clear-cut exchange of bonds between the new company and Bay Sulphite cannot be arranged is because of Bay's rather complicated connection with the St. Lawrence Pulp and Lumber Mills, the owners of the so-called Chandler Mill.

It will be recalled that when Bay Sulphite made its bond issue it put up as security for the bonds its big mill at Port Alfred, Quebec, and its equity in the Chandler mill. As there were some $2,600,000 of bonds outstanding on the St. Lawrence mill it was not possible to make the Bay issue a first mortgage on this property. The underwriters of the bonds planned to buy in all of the St. Lawrence bonds for Bay, and these would then be deposited with the trustees as security for Bay bonds which would be issued. Only about $1,000,000 of the bonds of St. Lawrence were bought in, the remainder of the issue remaining outstanding in the hands of the public, and a first charge on the St. Lawrence mills. Bay leased the Chandler mill from St.

(Continued on page 9)

MINISTER TO TRY TO SETTLE STRIKE

No Joint Conference of Western Miners and Coal Operators Arranged So Far

CALGARY.—Interest in the long-drawn out coal miners' strike is being revived somewhat by a visit here of Hon. James Murdock, federal minister of labor. He may try and bring the two sides together, but as yet no joint conference has been planned, according to R. M. Young, commissioner of the Western Canada Coal Operators' Association.

William Sherman, president of District 18 of the United Mine Workers' of America, states that the striking coal miners are ready to negotiate with the operators on the understanding that the basis of negotiation shall be return to work without reduction of wages. There is no indication, however, that negotiations on that basis are likely to materialize.

The report that a number of the mines included in the strike were resuming operations, the employers having agreed to pay the old scale of wages, is denied by R. M. Young. No mines are contemplating resuming operations on the old basis of wages. In one case certain men were being employed to keep the mine in working order, but all operators who were parties to the agreement last March providing for a reduction in wages, and which resulted in the strike, are still parties to the strike, the commissioner states.

SENATE REPORT POINTS THE WAY TO GET ECONOMY

A Valuable Survey Because the Senators Know the Game

BETTER THAN HOUSE

Average Member of Commons Thinks Rather of Making Impressive Speeches Than Investigating

From Our Own Correspondent.

OTTAWA.—The Senate committee's report on the Civil Service is the best thing of its kind that has appeared for many a day. It goes right to the root of the matter. In the first place there is the finding, backed up by undeniable proof, that the service is over-manned; that there is overlapping; that some officials have no desire to reduce the number of employees under them, on the ground that it would reduce their own importance; then there is the statement of the expensive renting of private buildings out of all regard for economy.

The members of the Senate have special fitness for an enquiry of this kind. For one thing, they know the game. This is a more important matter than might at first seem. There is a great deal in knowing the game, and the more one sees of official life the more is one convinced of this fact. To know the game, one has to be on the job for some time, and in this respect the average senator can qualify. Then, again, a number of them have had ripe experience as administrators of departments, which also counts.

House Members Handicapped

It is no disparagement to say that the average member of the house is not as well qualified as is the average senator for work of this kind. This is especially true of the newer men, who, by the way, are usually the more aggressive. None are more desirous than they to get at the facts, but they don't know the game, and hence are handicapped. By the time they acquire the necessary experience an election comes around, and as like as not the aggressive member disappears.

The public, and the majority of the new members of the house, have an idea that the best way to secure a reduction of expenditure is to make a few strong speeches. Good speeches

(Continued on page 16)

Want Canadian Engineer for New Montreal Bridge

From Our Own Correspondent.

MONTREAL.—Quite a little tempest has blown up over the selection by the Harbor Commissioners of an American engineer's design for the new bridge to connect Montreal Island with the South Shore of the St. Lawrence. Montreal engineers are afraid that the same engineer will be chosen to build the bridge.

It is felt that Canadian engineering experience should be called upon to design and erect the bridge. Canadian engineers, they point out, have already spanned the St. Lawrence three times: at Quebec, Coteau and Lachine, and these three bridges have been very successful. One American span of the St. Lawrence, the first Quebec bridge, proved a failure.

It is also pointed out by Canadian engineers that the bridge designer apparently favored by the Harbor Commissioners, J. Strauss of Chicago, has had three failures in bridge construction.

FEATURES

Trade Balance Annually Grows More Favorable 2
Recent Moisture Invaluable to Alberta Crops 2
Canada's Tariff Must Provide For Trade With Other Nations 3
Brokers See Danger in Present Stock Buying 4
Milling Shares Soar; New High Levels Reached 5
Makers of Paper Join to Battle European Firms 6
Big Corporations to Use Buses in Traffic Contest 7
Lorrain Issues Should Benefit by Recent Find 8
Mining Corp. Kept Up Output in Last Three Months 8
Ginger Group Would Try New Banking Ideas 9
Caution Advised in Readoption of Gold Basis 9
Sir Edmund Osler Sold Only Securities he Would Buy Himself 10
Duke and Price Have Vision of Industrial Saguenay 10
Russia Not Likely to be Early Wheat Competitor of Canada.... 11
Bond Prices High but Demand Losing Its Edge 12
Jurisdiction of Taxation Bodies Must be Decided 13
Municipal Tax Recommended in Saskatchewan 13
Contract Bond a Credit Factor in Building To-day 14
Change of Policy Always Means Loss to Insured 14
Suggest Sending Rolling Exhibit Through Europe 15
Finance New Office Building by Bond Sale 15
Enthusiasm in Western Canada for Grain Pool 16

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J. A. McLEOD, General Manager.

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UNION BANK OF CANADA

DIVIDEND No. 150

NOTICE is hereby given that a dividend at the rate of 8% per annum upon the Paid-up Capital of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Tuesday, the second day of September, 1924, to shareholders of record at the close of business on the 16th day of August next.

The Transfer Books will be closed from the 18th to the 30th day of August, both days inclusive.

By Order of the Board.

J. W. HAMILTON, General Manager.

Winnipeg, July 17th, 1924.

CANADIAN NATIONAL RAILWAYS
Department of Colonization and Development

A Bureau of Information is conducted in connection with the Canadian National Railways Colonization and Development Department, the extensive facilities of which are at the service of all requiring information concerning

OPPORTUNITIES IN CANADA

For the investment of capital in manufacturing, mining, lumbering, pulp and paper, water powers and other industries relating to the development and utilization of the natural resources of the Dominion.

ALSO OPPORTUNITIES FOR THE INDIVIDUAL IN FARMING AND GENERAL BUSINESS ACTIVITIES.

The Canadian National Railways serve the nine Provinces of Canada between the Atlantic and Pacific Coasts, its principal cities and towns, and afford convenient access to vast undeveloped areas possessing unmeasured natural resources—timber, minerals, fisheries, lands—that offer unequalled opportunities for human enterprise.

Particular attention is given to business and professional openings in Western Canada, and the unrivalled attractions of the mineral fields adjacent to the Canadian National Railways.

Write: Department of Colonization and Development, Canadian National Railways, for pamphlets and information.

St. Paul, Minn., Cor. 4th and Jackson Sts. — Winnipeg, Man. Union Station. — Edmonton, Alta., Cor. Jasper and 100th St.

Boston, Mass. 294 Washington Street. — Seattle, Wash., 902 Second Avenue. — Montreal, Que. C. N. R. General Offices.

TO TAKE OVER BRICK PLANT

WINNIPEG.—National Clay Products has been incorporated with a capital of $100,000. The company takes over for operation the plant of the Edrans Brandon Brick Company's plant at Edrans, Man. New and modern equipment will be installed and the company will engage in the manufacture of various kinds of building tile and bricks.

LAUNCH NEW FREIGHTER

The freight steamship Royalton, which is being built for Mathews Steamship Co., by Collingwood Shipbuilding Co., Collingwood, will be launched on Aug. 9. The principal dimensions are, length over all 550 ft., length between perpendiculars 536½ ft., breadth moulded 58 ft., depth moulded 31 ft.

The Business Outlook

TRADE BALANCE ANNUALLY GROWS MORE FAVORABLE

Canada's Trade Position Becoming More Like That of United States

Our foreign trade situation is easily the most encouraging phase of the entire business outlook. Despite somewhat depressed conditions at home, our sales abroad are showing a very gratifying monthly increase, especially to the reviving countries of Central and Northern Europe, and to the Orient. Chart 1 shows the total foreign trade of Canada by years since 1914. When one makes due allowance for war-time and post-war price inflation, it will be found that a steady increase has been taking place throughout the entire decade, with the exception of one or two very minor reactions, as shown in the lower line of Chart 1. The figures in this line are corrected on the basis of the wholesale price movements.

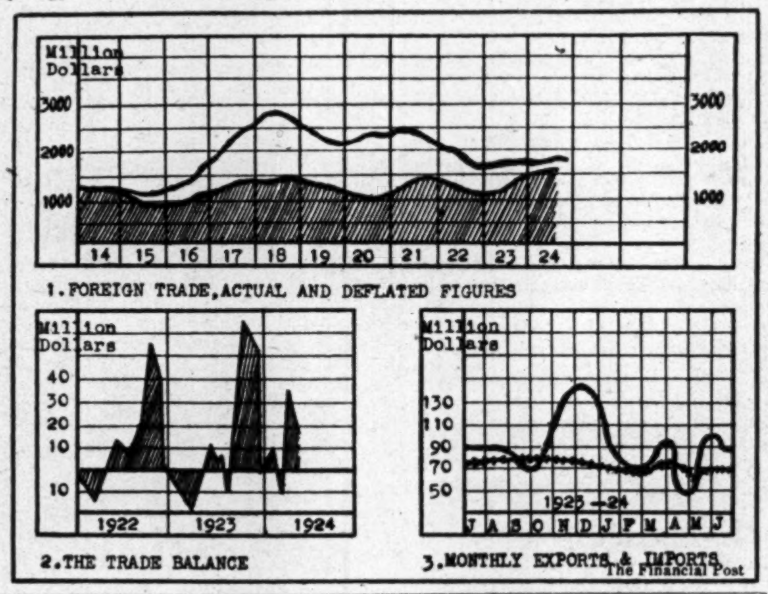
Chart 2 shows the decided seasonal nature of our foreign trade. The balance is usually against us in the spring, but soon turns very decidedly in our favor, and so continues for the balance of the year, the favorable balance reaching a peak about November. This on a monthly basis shows roughly to what extent our annual trade balance is favorable.

Chart 3 shows the relative movements of our imports and exports during the past year, which is fairly typical. From Charts 2 and 3 it is evident that the balance is becoming more favorable to Canada throughout the entire year. During the current year imports have been growing less and exports more in comparison with the past two or three years. The following table shows the imports and exports by months during the past year:

TRADE BALANCE

	Imports	Exports
1923—		
July	$77,074,230	$ 82,997,748
Aug.	78,825,677	80,021,409
Sept.	71,351,200	67,542,641
Oct.	76,340,654	100,123,829
Nov.	72,084,304	138,087,873
Dec.	64,456,071	123,880,430
1924—		
Jan.	66,568,060	69,575,167
Feb.	62,133,882	67,274,543
Mar.	86,922,203	92,429,774
Apr.	60,203,141	48,880,914
May	72,058,330	104,150,715
June	66,395,750	87,218,747

NEXT WEEK.— GRAIN STATISTICS



1. FOREIGN TRADE, ACTUAL AND DEFLATED FIGURES

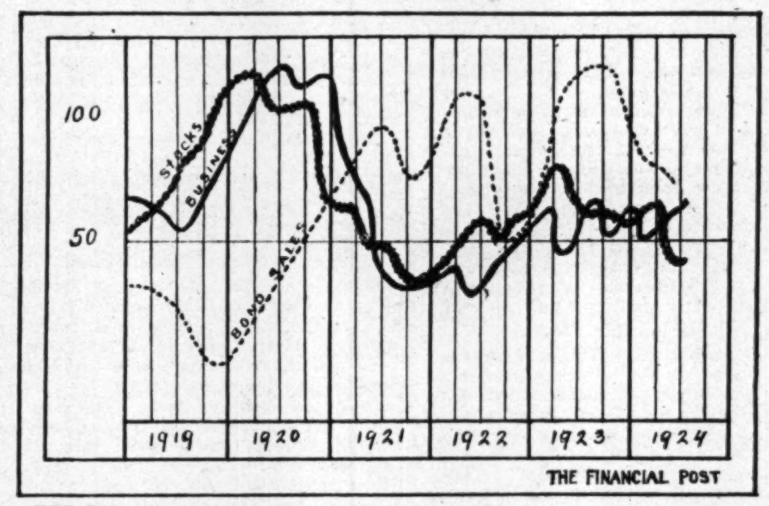
2. THE TRADE BALANCE

3. MONTHLY EXPORTS & IMPORTS

The Financial Post

Business Shows Little Change

No material change has yet become evident in the general business situation as depicted by THE FINANCIAL POST business barometer. The business line, which is based on new construction, and price movements, has tended marginally upward during the month, but not sufficiently to represent a definite change. Summer quietness, in other words, is still dominant. The bond line, which is based on bond sales and bank loans, has turned slightly downward. This would ordinarily indicate either that funds are begining to turn from the bond market to business, or that bank loans are contracting through poorer business. Since the bond factor is weighted to dominate, and in view of the accumulation of funds for crop-moving purposes, the change must be interpreted, if it continues, as a transfer of funds into business channels. No change has yet taken place in the stock line. The addition of July's figures has extended the line in precisely the same direction in which it was headed last month. We shall look for a definite upturn in this line before there is anything more than a seasonal improvement in the general business situation. Buying power will most probably be increased by the harvest returns sufficiently to give a definite seasonal impetus to business, despite unfavorable crop reports, but such a movement should not be mistaken for a change in the secular trend or for a permanent upward movement in business.



THE FINANCIAL POST BUSINESS BAROMETER is an attempt to interpret and register the state of business by charting together the three large branches of commercial and financial activity, viz., the bond market, the stock market, and the general wholesale and retail business situation. The bond sales line is modified by bank loans and weighted to get an accurate estimate of the employment of money at the time. The business line is made up of new construction and wholesale prices, and the stock line shows the fluctuations of a selected group of representative Canadian stocks.

TARIFF RULINGS

Canadian and Foreign Decisions of Interest to Exporters and Importers

Spain.—The Spanish export duty on olive oils, not including sulphur olive oil, remains 10 pesetas per 100 kilos for the month of July.

Spain.—Tires and tubes which form part of the original equipment of automobiles imported into Spain must bear serial numbers. It is believed that the invoice covering the shipment must show these serial numbers. This is the result of a customs decision by which tires and tubes imported as part of the original equipment of automobiles are made subject to the Spanish requirement that all tires and inner tubes imported into Spain must bear serial numbers and that these numbers must be shown on the invoices accompanying the shipments. This requirement has be in force since the middle of 1923 as regards tires and tubes imported by themselves.

Japan.—On July 7 the Japanese government introduced a bill in the Diet providing for an ad valorem duty of 100 per cent. on a number of articles enumerated as luxuries. The measure, which passed the House of Representatives on July 11, will probably be approved without any great modification, and will go into effect immediately on promulgation. No provision has been made at present for goods of this class already contracted for, or those which may be in transit at the time the law becomes effective. The effect of the proposed increase of duties on Canadian trade will be comparatively slight. The principal articles affected are: Preserved and fresh vegetables and preserved fruits (except canned fruits which remain subject to the existing conventional rate of 5.50 yen per 100 kin); confectioneries and cake; boots, shoes, slippers and the like; pasteboard and cardboard; certain manufactures of paper; phonographs, gramaphones and other talking machines and parts thereof; certain photographic instruments and parts thereof, and films for photographs, but not including motion picture films.

Brazil.—The president of Brazil, in a message to the National Congress, recommended that insecticides and fungicides be placed on the list of duty-free imports. The president's recommendation is based upon a report of the minister of agriculture to the effect that "the importation of such products should be facilitated to combat the diseases and pests that damage domestic crops. Insecticides and fungicides are variously dutiable in Brazil according to their tariff classification.

Argentina.—A customs reclassification of fresh fruit imported into Argentina makes the import duty on these products prohibitive. Fresh fruit has hitherto been free of duty in Argentina.

RECENT MOISTURE INVALUABLE TO ALBERTA CROPS

Previous Estimates of Yield May be Revised Upward

CALGARY.—The crop situation in Alberta has undergone a wonderful change for the better recently owing to the abundant rains which have blanketed the major portion of the province, and hopes have been again revived that there will be a very considerable quantity of wheat indeed that will be exported via the Western route.

There has been altogether too much pessimism displayed in certain interested quarters, but this, since the receipt of copious moisture, has been given a quietus that has been singularly effective.

A week or so ago it was stated by some that there would not be more than 40,000,000 bushels of wheat harvested in Alberta, and much color was lent to this estimate owing to the fact that in some sections of the province the crops, especially in stubbled-in land, had undoubtedly been badly hit. To add to this, the continued dry weather was beginning to affect districts seriously where there were really good crops. There was, therefore, no opportunity to counteract the pessimistic reports that were being broadcast everywhere. Since then, however, there has been a significant change. It is generally admitted that at a low estimate the last moisture will add at least three bushels an acre. On the basis of the acreage this yea and making allowance for a large percentage of land where there will be no crop, this will mean that about 15,000,000 bushels of wheat must be added to the prospective yield.

E. M. Walbridge, well-known grain man of Calgary, who made a remarkably correct forecast last year and the year before of the crop in Alberta, is sanguine that there will be at least 70,000,000 bushels of wheat harvested in the province this year. and many grain men and others are not now inclined to dispute the estimate.

Another optimistic note has been sounded by S. S. Sears, of Nanton, one of the directors of the U. F. A. "Present appearances," he states, "are that the wheat on my farm will run at least 45 bushels to the acre. Spring-plowed land looks good, and even stubbled-in crops are now in much better shape." He states that during the past ten days there had been a great improvement in the crops between Calgary and Nanton.

There has been a very decided improvement in parts of the northeastern section of the province. That portion received much less rain than others, particularly the south, and the reports up to a week ago were far from encouraging. It is now stated that at Wayne and Beynon, for instance, farmers expect to harvest 35 bushels of wheat to the acre from summer-fallowed land, and in several other places it is estimated that 20 bushel crops will be quite numerous.

Whatever the size of the crop will be, however, the Vancouver route will get a very fair proportion of it, and admirable as were the arrangements this season for handling the traffic they will be greatly improved when the new Spiller elevator is in operation. There is every indication that this will be completed in time to take care of the new crop.

PROSPECTS FOR MOTOR INDUSTRY VERY FAVORABLE

Indications Are That Manitoba Will Issue 45,000 Licenses During 1924

From Our Own Correspondent.

Manitoba's grain crop, which this year looms up as a good one, and which should be sold at a price yielding a handsome profit to the producer, is expected to serve as a very effective tonic for the motor car business in this province. Already local distributors are sizing up the field with a view to taking full advantage of the favored position in which the farmers will find themselves after the marketing activities this fall, and the signs are said to be pointing to an unusually heavy business next spring.

Despite the poor crop and indifferent returns from last year's harvest, the automobile dealers and distributing agencies in this province appear to have fared well during the past spring and summer. Despite predictions to the contrary, the number of motor cars in use this year will be substantially higher than during the year previous. The figures to date are approximately the same as 1923, but with some good months to come it is expected that the actual number of licenses issued will exceed last year's total by 3,000, bringing the number for the province up to 45,000.

While a good percentage of the returns of the present crop will go to the payment of debts in the areas which were stricken by the rust of last year, there are many sections which escaped the blight of 1923 where the financial position of the farmers should be distinctly favorable, following this year's harvest. Motor car distributing agencies and business houses generally have kept a careful watch on the situation, with a view to making an aggressive bid for business in these favored areas. The motor car has become recognized as necessary equipment on the Western farm, and Manitoba farmers are regarded as the best of prospects now.

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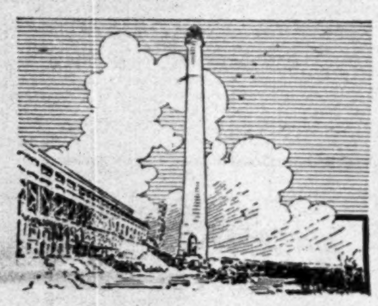

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START ON NEW SILK PLANT

DRUMMONDVILLE.—Construction is now under way here for the first of a five-unit plant by L. Roessel & Co., manufacturers of silk. The plant will cost, when completed, approximately $2,500,000, and when in full operation will employ 700 hands. The new Canadian company is a branch of the Roessel Company of the United States.

WESTERN CROPS VASTLY IMPROVED BY RECENT RAINS

Rust Danger Largely Past; Dry Weather Now is Needed

MANITOBA'S BIG CROP

Bumper Returns in Prospect if Weather Continues Favorable—Limited Hail Damage and Little Harm From Frost

By E. CORA HIND,
Commercial Editor, Manitoba Free Press

WINNIPEG.—The following is a summary of the fourth crop report issued by Manitoba Free Press:

Crop conditions on the whole have improved in the last twenty-one days, but the restoration of those crops that had suffered so severely from drought has not been as great as was hoped, though there has been substantial improvement in the filling of wheat on summer-fallowed land, and also in the feed situation in Alberta and Saskatchewan, where the situation was very critical at the time of the last report.

It was since the last report that the American experts started the scare of rust in Manitoba, and it is interesting to note that while a number of points in Manitoba, and one or two in Saskatchewan, report the presence of rust, these reports state absolutely no damage as yet, and only one point reports rust as having shown any noticeable development in the past week.

There has been some hail damage in all the provinces, but limited as a whole, while only a few points report traces of sawfly or any slight damage from frost.

Manitoba seems to be the only one of the three prairie provinces with the prospect of good returns on coarse grains.

Practically all the provinces now have sufficient moisture, only a few points still reporting need of rain. The present requisite seems to be for fine, dry weather, and light winds.

Dealing with the provinces separately, the following items are of interest:

Manitoba

Out of ninety-three points queried, eighty-eight heard from. Of these, practically all report crop fully headed. Only two points want rain, and one or two have too much. Only twelve points report any crop ploughed down for drought or other causes, and these acreages are limited. Majority of points report wheat cutting will start from 20th to 25th August. Quite a number will start about 15, and the earliest reported is August 12. A number report rye being cut, and one or two barley. Nine points report that wheat cutting will not start until Sept. 1. While forty-nine points report the presence of rust, only one point reports any development within a week, and a number state that wheat is beyond being seriously hurt, even should rust develop now. Four points report sawfly as present; one point reports it bad, and one "considerable." Eight points report slight hail damage, and one point reports serious, and one "considerable" damage.

In the matter of coarse grains sixty points report them "good," "splendid," or "excellent," and many points "fair" but late. Many reports dwell on the excellence of the rye crop. Given a month of fine weather Manitoba will apparently reap a good average crop of all grains.

Saskatchewan

Out of one hundred and sixty-three points queried, one hundred and forty were heard from. Practically all points have wheat fully headed. Some eight points still need rain, otherwise moisture is abundant, with too much in some spots. Wheat acreages are reported as ploughed down at fifty-two points, the amounts running from "very small" to 25 per cent. One point reports 40 per cent., and one 50 per cent. ploughed down. Wheat cutting will start in Saskatchewan between August 20 and 25, though it will not be general before Sept. 1. There is no rust, no frost and only slight sawfly at five points. Hail is reported as doing slight damage at thirty-two points. Coarse grains reported "fair" and "good" at thirty-six points, but a number of others state that improvement has taken place with rain.

Some thirty-eight points report labor needed, and many state the number.

Alberta

Out of eighty-four points queried seventy were heard from, and while a few points report wheat only 60 to 75 per cent. fully headed, the great majority report heading complete. Alberta reports only four points as still needing rain, all the others report sufficient to abundance, and not a few state warm dry weather now needed. Some thirty-one points report wheat areas ploughed down, and percentages vary from 2 to 60 per cent., the latter in only one or two cases. The ploughed down crop had much of it been in on stubble. Alberta has had no rust, no frost, and no sawfly, but twenty-six points have had hail, and six report serious hail damage over considerable areas, the worst being the Coaldale and Lethbridge northern irrigation belts. Seven points in Alberta report coarse grains good to excellent, eleven "fair," the balance "poor," "late," or "backward." The reports indicate that in all the provinces food supply is assured, though it is probable that it will require some distribution. Pastures are reported as having made a remarkable recovery.

Canada's Tariff Must Provide For Trade With Other Nations

The Argument That We Cannot Adopt the Policy Which Has Proved Successful in the States—Preferential Arrangements With Favored Countries Are Suggested

"Canada First" is the slogan being sounded in the camps of followers of a number of economic and tariff campaigns which are now being carried on by political and other organizations. To take their various policies at their face value, they are all—apart from the radicals—actuated by a laudable desire to better conditions in the country. The difference lies in their methods. There is a new movement, the Prosperity League, which aims to bring better times by raising the present tariff. There is the moderate tariff faction, which includes both those who believe in protection moderated and those who stand for free trade in moderation. And there are some who believe that manufacturers and other business men are paying too much attention to the tariff and not enough attention to getting down their costs of doing business and increasing profits by methods of efficiency.

THE FINANCIAL POST is running a series of three articles—the first by W. R. Morson, president of the Prosperity League; the second by Randolph K. Jones, M.A., on a protective tariff to include a well devised preferential system, and the third by R. L. Wright, treasurer of the Wahl Eversharp Co. of Canada, and president of the Canadian Society of Cost Accountants, on reducing manufacturing costs by scientific cost finding. Mr Morson's views were presented last week, those of Mr. Jones are presented herewith.

"Canada First" is the cry that re-echoes throughout the country today. It has become a slogan to engender enthusiasm. Outstanding men of the Dominion, including prominent members of both Houses, have shouted it from public places to be heard by the people and reported in the press. But what does it mean?

"Canada first" seems to mean in the particular sense in which it has been used of late that Canada should frame her tariff policy without regard to any other country; that she should have high protection against all outsiders. The magnificent development that the United States has achieved with a policy of very high protection is referred to time and time again. The development of the republic to our south affords the Canadian protagonists of protection against all inspiration to seek for Canada the identical sort of policy that has made the republic great. Let Canada emulate its illustrious example, it is urged, and Canada will go forward by leaps and bounds.

This enthusiasm for the country's welfare and progress is to be commended. It is most unfortunate that its basis does not consist of valid reasoning. In the reasoning is a flaw so serious as to negative the conclusion that is reached. The policy that a "Canada First" maxim demands would literally result in putting Canada last, not first. And this would indeed be a sorry consequence.

Overlooking Fundamentals

Fundamental premises are overlooked by people who ought to know better. Canada is in no way similar to the United States. In fact, she is very dissimilar. The United States is a compact, well-proportioned square of territory, with a climate that spans every zone save the very hottest and the very coldest, a climate for economic purposes almost ideal. It has all the natural resources, with one or two exceptions, that it needs. Moreover, these are well distributed. By virtue of all the gifts of nature, the United States is a self-sufficient, a self-contained, nation. With its external trade cut off by a hostile line of battleships about its coasts the republic would actually want for nothing. It has quantity and variety of everything to insure the well-being of its citizens when shut off from the rest of the world. American external trade largely consists in an export of surplus, and an import of luxuries and superfluities; it means nothing vital to the nation. If the republic wants to shut itself up from the world, it may. It can use and has used high protection, because internal development is and has been with it the essential consideration.

But contrast Canada. Without her external trade where would the Dominion be? That has been the chief thing in her growth. Since Confederation it has had eight times the increase in our population. We are not self-sufficient, and we must import and export to live and prosper. Our country is broken up into parts, and there is great length, with little breadth, both of which factors make distribution costly, and, at times, almost impossible. Not only do we have to import the products of the tropics, but we lack important natural resources, and other deposits of raw materials are unhappily located for effective productive use. External trade simply comes in where the innate nature of our country falls down. It is simply more profitable—and sensible—to import some things than to attempt to produce or transfer them within our country. We have a great surplus over our needs to export which takes care of what we buy from outside. We export commodities to a value well in excess of one billion dollars annually now, and that is the first factor in our national life. Moreover, our country is admirably situated for this great external trade.

As to Export Trade

What would an American protectionist policy—or the same, a "Canada First" policy—do to our export trade? For this is the question. We have not, as the United States, the home market. Nor can we, as the republic, make price levels to suit ourselves. No one will deny that a protective tariff tends to raise the price levels within a country. The proposition is obvious. If, then, Canada were to adopt the American protective policies of the sixties, our price levels, our cost of living, and our production costs, would shoot upwards to a peak that would prohibit the sale of our commodities in outside markets at the prices there prevailing. We can more or less by our policies control our production costs, but we normally cannot control the price that the buyer is going to give use. We live in, and largely by, virtue of a world market, where world factors determine prices. So that any protective policy that Canada sees fit to adopt must be carefully moderated and tempered, with a view to the preservation and expansion of our export trade.

Preferential and favored-nation arrangements act naturally as a tempering influence on a protectionist policy. For with them goods which the importing people require can be obtained at a price less than that at which it would be possible to secure them if the full import rates had applied; which serves to lower the price levels within the country, offsetting in greater or less degree—depending upon the reality of the tariff concessions—the tendency for a high level of prices to prevail because of protection.

It is doubtful if the potentiality of the tariff-concessions system has been fully appreciated by all Canadians. It is a mighty instrument to direct the channels of trade, to determine the countries from which Canada shall buy. It would enable the Dominion to maintain the highest tariff barriers against those nations that employ their general tariff against us, and to obtain all commodities she lacks at the lowest cost from friendly lands. This system should play a much greater role in our national life than it does. It is the natural complement of our protective tariff.

Our aim should be to produce everything in Canada that we can, with reasonable economy and clear gain to our national well-being. To do this we must have protection against imports falling within this class. But what we lack and what we cannot with gain to the nation produce we must import on the most advantageous terms, which we can best do by means of the preferential. We should employ protection of the most absolute character against those foreign countries that have shown us no consideration in the formulation and execution of their fiscal policies. And along such lines the "Canada First" tariff policy might proceed.

The self-contained fiscal system that the United States pursued is impossible for Canada. It would make growth of the whole country impossible. But we can have very high protection against unfriendly countries, if we will modify its effect on our price levels by a well-devised preferential system, which corrective influence is irrefutably dictated by the essentially commercial character of our country.

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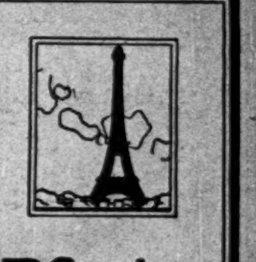

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News and Views for Investors

BUYING OF STOCKS CONTINUES; DANGER SOME BROKERS SAY

Cheap Money Gets Better of Weak Argument With Low Profits

While trading on the Canadian exchanges has been quite light during the week, there has been more real buying, brokers say, than for some time. The table appended below would indicate that there has been a tendency to pick up certain shares as it will be noticed that the gains are more than double the losses recorded during the week. The market could not be regarded as being buoyant by any means, neither could it be said to have any definite trend as it will be noticed that the stocks which underwent a price change, gains and losses were not equal to the total of the shares which stand unchanged as a result of the week's trading. The outstanding group was the pulp and paper shares which seem to be in for one of their periodical bursts into the limelight. Seven of the twelve issues traded in recorded an advance totalling 13 points while the balance of the group held firm. Milling shares were better. Various reasons are advanced for this activity but it seems to be a combination of interest, due to the fact that the price of wheat has steadily advanced and some believe the millers should benefit and the fact that four companies are soon to end their fiscal year and good statements are expected.

There was a fair demand for Utilities during the week and seven issues recorded an advance totaling 12¼ points while the two issues that went back lost a point each. Traction issue changes were fractional while six Textiles advanced for a total of 8½ points, Penman's accounting for 5 of this. Quite a number of industries show fractional gains but the buying was likened by one broker to nibbling. The total advance for 10 issues was 12 which would indicate this while six others declined 10 points, this off-setting the advance.

	Gains	Losses	Unchg.	Total
Banks	3	1	7	11
Paper	7	0	5	12
Steel	3	2	16	21
Milling	4	2	8	14
Utilities	7	2	6	15
Tractions	4	5	9	18
Textiles	6	3	6	15
Industrials	10	6	37	53
	44	21	94	159

Brokers continue to place most of the credit for market interest existing to the door of cheap money. In fact some of them say that it is a contest between poor profits and cheap money with the latter slightly in the ascendency. Brokers were not surprised that the cheap money put up the price of good seasoned bonds and securities but some of them say that all grades of stocks are getting a share of it now. This has resulted in many of these issues moving up to a point where they involve a risk especially to those holding for a further advance. The point is being emphasized that there is no accumulation of stocks by strong interests and believe that the public should consider this important factor before getting in too deep.

Canadian Industrial Alcohol Up Further

From Our Own Correspondent.

MONTREAL.—Canadian Industrial Alcohol stock is the strongest stock on the market these days. The advance is based on earnings and the expectation of an increase of 2 per cent. in the annual dividend this fall.

The stock has never been widely held; in fact was almost entirely in the hands of Sir Mortimer Davis until recently, but since its listing some months ago blocks of it have been released for stock market trading until a substantial shareholders' list has been built up.

The company is now operating its new plant at St. Boniface, Manitoba. The Western company has a number of Western men directing its affairs but is owned entirely by the parent company. No financing was done for Canadian Industrial Alcohol Company of Manitoba. It is expected that similar provincial subsidiaries will follow in due course for other provinces.

FUTURE OF THE HUDSON BAY RY. IS INDEFINITE

Gossip at the Capital as to Attitude of the West

From Our Own Correspondent.

OTTAWA.—During the session there were rumors of offers from two American syndicates to complete the Hudson Bay railway as a private enterprise. These, however, were surrounded by a fog of indefiniteness that deprived them of substantial value. It is thought, however, that if such a syndicate giving evidence that it really meant business made such an offer, it would stand a good chance of being favorably entertained.

According to reports, the Americans are attracted, not so much by the prospective of profit as a railway enterprise, but as a colonization and development agency. It is believed that sufficient mineral wealth might be unearthed to make the venture worth while. Of these two features there is more likelihood of something being made out of minerals than of colonization. The region is quite far north for profitable farming, and the absence of a near-by market would seem to be a handicap.

Drayton's Proposal

While much was said about the road to the Bay during the session, the most constructive contribution was that made by Sir Henry Drayton, that the whole enterprise should be handed over to the prairie provinces for them to complete. He would make a free gift of all that had been done; grant them the use of the Winnipeg terminals of the Canadian National Railways and make an additional grant of a few millions of dollars for expenses as a kind of start off.

While there was no one in the House in a position to speak for the western provinces on the proposal, it received a great deal of support. Sir Henry Drayton said that the road through Northern Ontario in the direction of James Bay would never have been built, had it not been for the action of Ontario in building it herself. He also thought that in the case of the Hudson Bay Railway history would repeat itself. The debate in the House brought out in a more striking manner than ever before, that Parliament just now is not in favor of completing the work. What the next Parliament may do remains to be seen. The lukewarmness of Alberta members, owing to the opening of the Vancouver grain route, has reduced the strength of the Bay Railway advocates.

A point that needs clearing up is whether there exists surplus funds for the building of the road from the sale of Western lands set aside for this purpose. Advocates of the enterprise say that such funds exist. No one has made an authoritative statement on the subject during the last few years. Hon. G. P. Graham came the nearest to it last session when he said that he doubted whether there was much of a surplus for this purpose. The land may have been sold, but the question is, how much has been turned back to the government, and what is the amount of over-due payments?

A Nation-building Investment — Water Power Bonds

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359

Railway Earnings

CANADIAN PACIFIC RAILWAY	
Week July 31, 1924	$4,510,000
Week July 31, 1923	5,004,000
Decrease	$ 494,000

CANADIAN NATIONAL RAILWAY	
Week July 31, 1924	$6,534,220
Week July 31, 1923	6,823,213
Decrease	$ 288,993
Jan. 1 to July 31, 1924	$134,849,228
Jan. 1 to July 1, 1923	136,732,873
Decrease	$ 1,883,645

How Will the Ford Motor Company Use Its Profits?

By THOMAS F. WOODLOCK, in New York Herald.

Some twenty years ago Henry Ford organized the Ford Motor Company. Initial capital subscribed was negligible as to amount. At the end of June last the company had piled up a surplus in profit and loss account of more than $400,000,000, largely represented by plants of all kinds. These plants are approaching a production capacity of 10,000 cars a day, or 3,000,000 cars a year. On each car the company makes at present a profit of about $70, so that at this rate of profit the company would make more than $200,000,000 per annum. According to the Wall Street Journal the surplus in profit and loss account of the Ford Motor Company may reach $1,000,000,000 in 1926, assuming that the selling price of cars be not reduced by more than the economies effected in the increased rate of production.

Mr. Ford and his company are unique phenomena in the history of industry, and together they constitute a most interesting problem. He is unquestionably by far the "richest" man in the United States. He is pronouncedly "individualistic" in his outlook on life and his methods, being about as far removed in both from the "democratic" principle as it is possible to be. His policy toward the past is summed up in "taking the minutes as read"—in which many of his fellow citizens are in accord with him. And he has gathered up into his hands a power greater than that ever before wielded by one man since the industrial era began.

With one year's profits as reckoned above he can hire 100,000 men for any purpose he requires in addition to those whom he now employs and set them to piling up yet more profits with which to hire yet more men and so da capo. There is not a single great industry in the country that he cannot powerfully affect if he chooses to enter it. The one thing he cannot do is to stop working. The most important thing that he has to do is to choose where next to apply his power. There must somewhere be a limit to the number of Ford cars that the country can use, but the more the country uses the more profits there are to pile up, and those profits must somehow be disposed of. What then?

By no stretching of the law as it stands can the Ford Motor Company be made amenable to the Sherman Anti-Trust Act. By no theory can it be regarded as "effected with a public interest" and rendered thereby a subject for "regulation" by public authority. Yet, as a matter of fact, there is no other economic power equal to that of the Ford company in possession of any single group of men in the United States to-day. If "size" has anything to do with it, the company is big enough in all conscience! But there is nothing—and should be nothing—to do about it. Mr. Ford is—and should be—free as air to work himself and his wealth as he pleases, as he has done so far. It is not strange, however, that the industrial community at large should be beginning to watch with much interest for his next move.

The feudal character of industry is well exemplified in this case. Ford in manufacturing has had his prototypes in other industries—Rockefeller in oil, Carnegie in steel, Harriman in railroads, and many other lesser chiefs whose names will naturally suggest themselves. The notion of "industrial democracy" directly challenges the feudal principle. Mr. Ford's brain is seemingly impermeable to that notion. In the matters of wages, hours, and environment, his employees are handsomely treated, but they do not share in the direction of the business, nor have they anything to say in determining their own hours, wages or conditions of work. Mr. Ford attends to these things. He shares everything with his customers and his men except his "power." Absolute autocracy is the only principle he recognizes with respect to that.

In our industrial system autocracy is no new thing, but an autocrat of the Henry Ford type is rather unusual. He does not respect the conventions of his class. To begin with, his individuality, let us say, is in some ways disconcerting. Occasional eccentricities, such as the "peace ship," the "cheap money" campaign, the "railroad miracle" and the Dearborn Independent's anti-Jewish crusade, have stirred up vague apprehensions as to where the next outbreak may take place. If he were only moderately successful, no one would worry much over these things, but with $200,000,000 per annum rolling up behind their author all manner of disturbing images arise. Feudalism as a political system depended upon a proper balance of power being maintained; so does feudalism in industry. Both, moreover, rest upon a body of conventions—upon things which are and are not "done." For all such things as these Mr. Ford has a mixture of ignorance and contempt, the obliterating effect of which is complete, and he is—or soon will be—strong enough to disregard anything which his fellows may think, say, or do, about it.

If it were merely a case of inconvenience to our other industrial feudal lords the people at large might view the proceedings without much concern. But, "quicquid delirant reges, plectuntur Achivi"; it is the people who pay when the chiefs disagree. In plain English, Henry Ford's plans for the future cannot fail to affect a great many people. So far he has served the public well; none, probably, has served it better. An aura of the miraculous, indeed, seems to surround him. And yet $200,000,000 with Henry Ford behind it loose in our industrial world is somewhat of an uncanny thought!

Steel Cons. Buys Up Group of Chain Stores

Bernard N. Hyman, president of the Franklin Stores, Inc., Buffalo, announces that the Franklin chain has been purchased by Steel's Consolidated, Inc., which recently took over the assets of the defunct L. R. Steel Companies. Warehouses and general offices of the Franklin Stores are in Buffalo. The chain is comprised of eleven stores, eight of which are in New York State between Buffalo and New York. Two are in Illinois, and one in Ohio. The company was incorporated in 1920.

AFTER HEBRIDEAN FISHERMEN

VICTORIA, B. C.—An agreement under which fishermen from the Hebrides will come to the coast of British Columbia probably will be completed in the near future, according to T. D. Patullo, Minister of Lands. He expects to hear shortly from the British Columbia Agent-General in London that he has reached a settlement with Hebridean immigrants.

WHALERS DOING WELL

VICTORIA, B. C.—1924 whaling operations were very sucessful. Four stations and six or seven whalers are working. Some of the vessels have an average of thirty head so far for the season, and whale oil is finding a ready market in England, whilst whale meat, canned, has become an established commodity along the West Coast of Africa, the entire British Columbia whale meat pack of last year being sold there.

UNLISTED SECURITIES

Industrials, Utilities, Etc.—	Bid	Asked
Can. Assoc. Goldfields	04	07
Can. Westinghouse, pref	133	135.50
Can Marconi	90	..
Cockshutt Plow, 7% pref.	23	25
Collingwood Shipbuilding, com.	47	53
Cosgrave	5	6
Dom. Power, pref.	93½	96
Dom. Power, com.	37.50	38.50
Dunlop Tire 7% pref	80	84
Durant Motors (A)	5½	..
Durant Motors (B)	5½	..
Durant Motors (C)	8½	..
Dom. Sewer Pipe com.	27	30
English Elec., com.	4½	..
English Elec., pref.	45	47
Famous Players, pref. 50% com.	71	73
Gunns, Ltd., pref	32	35
Hamilton Pantages, pref	46	..
Hamilton Pantages, com.	1	2.50
King Ed. Cons. deb. A	57	60
King Ed. Cons. deb. B	33	36
K. & S. Tire, pref.	..	34
Loew's Buffalo, com	80	1.25
Loew's Hamilton, pref.	46	..
Loew's London, pref.	5	6
Loew's Ottawa, pref	19	22
Loew's Toronto, pref.	57	62
Loew's Toronto, com.	33	34
Loblaw Groc. 2nd pref.	120	150
Massey-Harris	25	30
Mount Royal Hotel, pref	49½	50
North Mexico Power, com.	17	19
Robt. Simpson, pref. 6%	92	93
Dom. Comb. Mills (1 pref 2 com)	40	60
Loans and Insurance—		
Brit. Am. Assur.	6	7
Capital Life	20	25
Can. Mortgage	54	60
Continental Life	25	31
Crown Life	98	..
Excelsior Life	31½	..
Great West Life	220	..
London Loan	44	48
Manufacturers Life	55	58
Mercantile Trust	99½	100½
Monarch Life, 10% pd.	12	14
National Life $25 pd.	50	..
Ontario Equitable	..	17
Peoples Loan	70	..
Sovereign Life	17	25
Sun Life 50% pd.	175	..
Sun Life 35% pd.	135	..
Sterling Bank	90	92
Trusts & Guar.	66	70

NEW ASBESTOS MILLS TO RAISE $5,000,000

Plans Two New Mills at Asbestos Mines and Black Lake Asbestos Properties

From Our Own Correspondent

MONTREAL.—Incorporation of Asbestos Mills, Inc., is the first step in another enlargement of the operations of the combined Asbestos Mines, Limited, and Black Lake Asbestos. The new company has a capital stock of 200,000 shares of no par value and it is likely that these will be offered in Canada and the United States at $25 a share.

With the money that will thus be raised it is planned to provide for the redemption of the existing issue of $1,000,000 of bonds of Asbestos Mines maturing in five years, and to take off the market the income bonds of Black Lake. The issue may not be redeemed outright. The new company will own the rights to the selective treatment process of handling asbestos rock that is now only leased by Asbestos Mines. Two new mills will be built to handle asbestos rock, according to this process.

Recent engineering reports of the two asbestos properties going into the merger are available. G. L. Burland, consulting engineer, estimates the reasonably assured ore at the Asbestos Mines property at 2,000,000 tons which would show a yield of $8,600,000 gross or of $3,960,000 net. He estimates the yield from three of the Black Lake's properties at $51,700,000 gross or $23,370,000 net mining profit.

Regarding the selective treatment, Mr. Burland says: "It is a radical departure from present milling practice and is covered by adequate patents. With this process it has been possible to increase the yield. It can be safely expected to double the yield from pits heretofore operated by the Black Lake Company."

SILVER OUTPUT LOWER

World production of silver for the first half of 1924 is 117,650,000 ounces, as against 118,250,000 ounces in the first six months of 1923. Canada accounted for a production of 10,800,000 ounces in 1924, as against 10,500,000 ounces in the first half of 1923.

From Lake St. John, encircled by the dense forests of Northern Quebec, flows the River Saguenay. For many years it served but as an avenue of transportation for the Indians and early white settlers—to-day, its mighty waters harnessed, it is contributing to the industrial progress of the 20th century

Eight miles below Lake St. John the Duke-Price Power Development, one of the most up-to-date on the continent, is about completed. This development, almost unique among large hydro-electric situations, will have an ultimate capacity of 540,000 horsepower.

The First Mortgage 6% Bonds of the Duke-Price Power Company Limited, which we are now offering are a sound and attractive investment.

The bonded debt of $33 a horsepower is the lowest of any known comparable development.

The present installation will be 360,000 h.p. and the power plant can be operated at high capacity throughout the entire year.

The resulting net earnings from a contract with Price Brothers & Company for 200,000 h.p., will *alone* be equal to 1¾ times the interest charges on the present issue of Bonds.

Denominations $500 and $1,000 — Maturity July 1st, 1949.

Price at market to yield about 6%.

We have prepared a special circular giving full particulars of the development and the above bonds. A copy will be sent upon request.

The National City Company
Limited
Head Office—112 St. James Street, Montreal

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Their dividends are free from the Dominion Normal Income Tax, which makes these stocks particularly attractive to investors.

Our letter giving statistics on some well-known issues will be mailed on request.

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Tax Free Bonds Of Chatham, N.B.

The college and cathedral town of Chatham takes its wealth out of farm, forest and sea, has pulp and wood-working industries—a well-peopled rural connection.

Exempt from personal property taxes in the province, we offer a limited amount of Chatham Bonds due 1937, to yield the good figure of 5.30%.

J. M. Robinson & Sons Ltd.
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FOREIGN BOND QUOTATIONS

British National War Loan, 5%, 1927	94-96
British National War Loan, 5%, 1929	92-94
British Funding, 4%, 1960/-1990	77-79
French Internal, 4s, 1917	30-31
French Victory, 5s, 1920	35-37
Frenhc Premium, 5s, 1920	43-46
German Government 5%	*1100-1400
German Government 4/5 Enforced Loan of 1922*	70-100
Prussian Consols, 4s	3-5
City of Berlin 4s, 1922*	300-400
City of Berlin, pre war issues	10½-13
City of Hamburg 4½s, 1919.*	300-400
City of Hamburg pre war issues	3-5
City of Leipsig pre war issues	8 Bid
City of Munich pre war issues	10-12
Badische Anniline Co. 4½s	13½ Bid
Krupp Ltd., 5%	2½ Bid
North German Lloyd 4½s	15 Bid
Hamburg American Line 4½s.	16 Bid

Quotations: French bonds per thousand francs, British per £20, German per thousand marks.

*—is million marks.

Milling

MILLING SHARES SOAR; NEW HIGH LEVELS REACHED

Movement Started in Montreal; Rise in Wheat Reason Given

Milling and allied shares are prominent in this week's trading. The bull move in these shares had its origin in Montreal, with Ogilvie and Lake of Woods commons leading the way. Reports are that the new interest in these shares is due to the strength of grain prices, and has been long looked for. Milling heads, on the other hand, state that the increase in the price of grain will not benefit them. This was pointed out in THE POST a few weeks ago. In the handling of inventories, the companies always make provision for a rise or drop, and so the benefit in this way would be small. There has been this change of late, buying orders for export for a time failed to keep pace with the rapid advance in the price of wheat, with the result that sales fell off. Of late, however, export orders have caught up with the new prices, and buying is again on a fairly substantial basis. It may be that the street expects heavy buying of flour for the present, in anticipation of a further rise in prices, and can thus see an immediate increase in profits, but the increase in orders to date does not seem to justify any such belief.

Ogilvie and Lake of Woods reacted to new highs, 335 and 1.85, with fairly heavy buying orders coming onto the market. Maple Leaf strengthened up to the year's high, while St. Lawrence flour was just a fraction shy of reaching that goal. International Milling is offered at a price above the high mark of last March. Canada Bread rose in sympathy, selling at its best price of the year, 70.

The following table gives the range of milling shares for the year:

		Yr. low	Yr. high	July 1	Pres.
Can. Bread,	C.	63	79½	73½	79
" "	P.	95	99¾	99½	99
L. of Woods,	C.	167½	185	177	185
"	P.	117¼	120	117¼	119
Maple Leaf,	C.	59	70	62	70
"	P.	87	95⅜	92	92
Ogilvie,	C.	304	335	305	330
"	P.	116	120¼	118¼	118¼
St. Law. Fl.,	C.	66½	74	69¾	73¾
" "	P.	89	91½	..	90
West. Can. Fl.,		98	105	99	100
Int. Milling,	P.	93	96½	93⅜	97

OFFER OF SPILLERS IS GIVEN APPROVAL

About $2,000,000 Involved in British Deal to Take Over Calgary Mills

The sale of assets of Alberta Flour Mills, Calgary, to Spillers Milling and Associated Industries has been ratified by shareholders and will be consummated. Approximately $2,000,000 is involved in the deal. The purchase price of the assets including mill site, buildings, etc., is $1,185,400 and for this shares of a new company are to be issued. This new company is to issue one million shares of 7 per cent. non-voting, non-cumulative, redeemable preference shares par value $5 and one million common shares of the same par, but the right is reserved to issue bonds, debentures, or preferred shares ahead of them.

The new interests will proceed with the work on the unfinished mills in West Calgary. Liabilities of Alberta Flour Mills, including capital, total $1,273,955. Spillers takes care of these and provides a minimum of $1,500,000 working capital. A. E. Cross, chairman of the Alberta Flour Mill's board, said in addressing the shareholders that efforts had been made in the United States, in Canada and in Britain with other interests, but that Spillers' offer had been the best they could secure. He referred to the remarkably strong position of the Spiller company, who were not only one of the largest grain-purchasing firms in the world, but were erecting their own terminal elevators at Vancouver at a cost of about $2,500,000. J. E. A. McLeod, solicitor for the Alberta Flour Mills, said that the total liabilities, including capital, amounted to $1,273,955. It could not be stated what might be the value of the shares in the new company until the company came to sell its stock.

OGILVIE MILLING

Ogilvie Milling appeared on the board this week when a few shares changed hands at 335. This was thirty points above the last quotation of 305 several weeks ago.

Canada Has Built up Big Macaroni Industry

MONTREAL.—Canada has built up a big macaroni industry since before the war. Canada's pre-war imports of macaroni amounted to nearly 7,000,000 pounds, 61 per cent. of which came from Italy, 25 per cent. from France, and 10 per cent. from the United States. During the past three years the average imports into Canada have been 1,324,000 pounds per year, of which 82 per cent. came from the United States and 9 per cent. from Italy. Italy has lost not only the magnificent market in the United States, but most of that of Canada as well. In 1923 there were nine factories in Canada with a capital of $873,000 and having an annual output of nearly 11,500,000 pounds. Canadian imports in that year were 1,096,000 pounds and exports 2,229,000 pounds. Canada's per capita consumption of macaroni is less than one-third of that of the United States.

L. R. Wilson Becomes Abitibi Vice-President

From Our Own Correspondent.

MONTREAL.—L. R. Wilson, who became managing director of the Abitibi Power and Paper Company on the death of F. H. Anson, founder and president, some months ago, has now been elected by the board of directors to the office of vice-president and managing director.

W. H. Smith has been appointed secretary and treasurer.

POWER MAKES JOBS BUT EMPLOYS FEW

One Big Development Operated Night and Day With Staff of Twelve

One of the reasons why Canada is not likely to permit the exportation of much of its power is that power development in itself provides few jobs. The 360,000 h.p. development of the Duke-Price interests in Northern Quebec will be operated night and day with a staff of twelve men. Yet the industries using the power will employ thousands. If the power were exported to New England, for instance twelve Canadian workmen would get jobs out of the development and thousands of American workmen would draw wages from the factories utilizing the power.

The distinction between water-power development and its application, that is in investment, employment, and wages, is not generally realized, important as it is to a country like Canada, which possesses such large resources in water-power. Development covers building of the power plant, transmission of the energy, and its distribution in cites and towns. Application involves the installation of wiring and appliances in houses and buildings, the building and electrical equipment of factories, mines and other industries and many miscellaneous uses.

A special study of the ultimate investment made and employment furnished was recently made in the United States by a census of actual undertakings and districts. It was assumed that there is gradually extending development and that the employment is that for operation of the plant, factories, etc., not that for construction of the power plant. The results may be summarized thus:

Per 1.000 H.P.

Total investment, $1,861,000; total number of employees, 385.

	Development	Application
Investment	$250,000	$1,611,000
Per cent. of total	13.4	86.6
Employees	8.6	376.4
Per cent. of total	2.2	97.8

It will be seen that the investment and employment due to the development itself, which is all that is usually considered, is but a trifle compared with the investment and employment due to the application of the power when produced and distributed.

Illinois Traction Will be Dropped From List

Montreal Stock Exchange has removed Illinois Traction from the list of stocks traded in on the exchange. The decision was taken because of the small amount of the stock in the hands of the public. This is taken to mean that the Studebakers, through Illinois Light and Power, have now all but a few shares of the stock.

The merger has worked out well for those shareholders who were wise enough to hold their stock until they could cash in around par, but it is a bit tragic for those who were deluded into relinquishing their holdings around 50. Many people bought Illinois common around that figure on the logical expectation that it would some day give them a return on their investment, as earnings were being consistently plowed back into property. They went without dividends for many years, and those who were made to feel that they had to cash in at 50 or so simply lost the use of and the interest on their money.

Iron and Steel

STEEL PRODUCTS HAD DECLINE IN PROFITS

Fire and Tariff Changes Caused Losses — Working Capital Shows Increase

Net profit of $117,869, shown by Steel Products for the year ending June 30, are a little lower than the previous year, which showed earnings of $129,422. Net excess of liquid assets over current liabilities is $717,705, as against $672,573 on June 30, 1923. After retirement of $21,500 of the company's bonds on July 1, there remains a balance in the treasury of $27,800, to be used for sinking fund purposes later. Inventory losses were recorded during the year, following adverse tariff changes, while a fire at the shovel works caused a loss of six weeks' operations. Working capital increased from $672,693 to $717,705.

The profit and loss account follows:

	1924	1923
Net profit	$117,869	$129,422
Bond profit	1,049	......
	118,918	129,422
Less:		
Bad debt. adj.	7,424	......
Bond int.	27,840	29,070
Sinking fund	20,160	18,930
Pref. div.	52,500	52,500
Com. div.	37,500	......
Deficit or surplus	26,506	*28,922
Bal. for.	442,022	413,100
Profit and loss	$415,516	$442,022

*Surplus.

Too Many Officials One of Troubles at Besco

From Our Own Correspondent.

SYDNEY.—Although an unpleasantly drastic remedy at the present moment, it is stated on excellent authority that the sweeping official changes being made at Besco mines and steel plants in Nova Scotia will mean increased prosperity for the corporation and the community once current depression lifts from the steel industry. The idea is said to be more efficient, economical and profitable operation.

It is stated on reliable authority that in some cases duplications of minor official jobs had been carried to a point where five or six men were holding down practically the same post, which could have been filled with ease by one or at most two.

Steel is Now Ordered for Dominion Alloy Plant

The contract for the structural steel work on the plant of the Dominion Alloy Steel Co. near Sarnia has been awarded to the Sarnia Bridge Co. This contract involves over $100,000 and 900 tons of steel. Delivery of the steel is to start in five weeks and the time limit for the completion of the buildings is 16 weeks. Fabrication, erection, painting, etc., is included in the contract.

The nature and dimensions of the buildings concerned were given as follows: steel rolling mill 75 by 506, warehouse 70 by 220, furnace building 30 by 506, raw material building 45 by 506 and shearing building 30 by 286. The total footage of buildings is 99,730. Two 10 ton traveling cranes and one 40 ton crane are also to be installed.

DOMINION GLASS

Dominion Glass was again strong this week, and an excellent investment following is being built up for the stock, Earnings are known to be very satisfactory, and it is felt that the present dividend rate of 7 per cent. on the common stock falls considerably short of what could be paid by the company without weakening its position.

June gasoline output, 737,080,701 gallons against high month of 754,773,282 in May, a daily production decline of 598,192 gallons or 2.40%.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING AUGUST 5

	Div. Rate	Yield Aug. 4	High For wk.	Low For wk.	Close Aug. 5	Close July 29	Sales For wk.	Range 1924 High	Low
Banks—									
Commerce	12	6.59	182½	181¼	181¼	181½	115	188	178
Dominion	12	6.59	182	176¼	182	176¼	78	187	176¼
Hochelaga	10	6.87	146	145½	146	145	75	150½	143
Imperial	12	7.01	171	171	171	171	4	179	169
Molsons	12	8.13	148	147	148	148	13	159½	147
Montreal	12	5.04	238	237¼	238	240	81	248	230
Nova Scotia	16	6.40	250	250	250	250	92	260	248
Royal	12	5.45	2.20	2.18	220	216½	47	218	211
Standard	12	7.66	..	..	..	..	..	168	156½
Toronto	12	6.85	175	175	175	175	25	179	169
Union	8	7.84	102½	102	102½	102¼	32	109¼	100
Paper—									
Abitibi, com.	4.00	6.78	59	56½	59	56¼	1730	69	54
Do. pref.	7	7.05	..	..	..	..	..	105½	98¼
Brompton Pulp	..	....	33	31½	33	31¼	770	43	29
Laurentide	6	6.81	88	85	87¼	83	276	98½	84¼
Price Bros.	2	4.87	41	40½	41	41	25	45	40
Prov. Paper, com.	6	7.05	85	85	85	85	25	100	83
Do. pref.	7	7.56	..	..	..	..	..	97½	90
Smith, Howard, com.	4	10.12	39½	38	39½	40	83	75	40
Do. pref.	8	8.88	90	90	90	91	10	100	90
Spanish River, com.	7	6.42	109	106½	107⅛	105	3825	114¼	96
Do. pref.	7	6.04	115	112¼	114¼	113	2306	119½	110
St. Maurice Paper	6	6.79	88¼	88¼	88¼	87	10	113¼	85
Wayagamack	..	....	..	..	..	..	..	45	32
Steel and Steel Industries—									
B. E. Steel, com.	..	....	2¼	2⅛	2¼	2	20	6	2
Do. 1st pref.	..	....	33	33	33	34	140	57½	33¼
Do. 2nd pref.	..	....	8½	8	8½	7½	188	17	7
Can. Car & Foundry, com	..	....	..	..	..	..	..	50	36½
Do. pref.	7+1¾	8.14	86	85¼	86	86	180	97	84½
Can. Foundries, com.	..	....	..	..	..	..	..	31	19½
Do. pref.	..	....	..	..	..	..	..	45	45
Can. Locomotive, com.	4	6.15	..	..	..	..	..	67	65
Do. pref.	7	7.95	..	..	..	..	..	92½	85
Dominion Coal	..	....	..	..	..	..	..	81	40
Dominion Iron, pref.	..	....	..	..	..	..	..	57	31
Dominion Radiator	7	7.25	..	..	..	..	..	96½	94
Dominion Bridge	4	5.63	71	71	71	71	35	80	60
Dom. Steel Corp., pref.	..	....	..	..	..	..	..	73	39
N. S. Steel, pref.	..	....	..	..	..	..	..	68	68
Ontario Steel, com.	4	9.75	..	..	..	..	..	45½	40¼
Do. pref.	7	8.14	..	..	..	..	..	93	86
Canada Iron, com.	..	....	..	..	..	..	..	8	4¼
Do. pref.	..	....	..	..	..	..	..	30⅛	25¼
Steel of Canada, com.	7	9.36	74½	73	74	73	1288	83	69½
Do. pref.	7	6.79	104	103	103	103	104	105½	99½
Milling—									
Canada Bread, com.	4	5.06	..	..	..	..	..	79½	63
Do. pref.	7	7.07	99	99	99	99	20	100	95
Inter. Milling, pref.	7	7.52	93	93	93	93½	2	96½	93
Lake of Woods, com.	12	6.55	185	181	185	181	231	182½	167
Do. pref.	7	5.90	119	119	119	118½	5	120	115½
Maple Leaf, com.	..	....	64	64	64	66	2	70	59
Do. pref.	7	7.60	..	..	..	..	..	95¼	87
Ogilvie Flour, com.	12	3.69	..	..	..	..	..	320	304
Do. pref.	7	5.92	..	..	..	..	..	120½	116
Shredded Wheat, com.	8+1	6.66	..	..	..	..	..	138	136
St. Law. Flour, com.	6	8.21	74	72	73½	73	660	73	66
Do. pref.	7	7.77	..	..	..	..	..	91½	89
West. Can. Flour	8	7.84	..	..	..	..	..	105	98
Utilities—									
Bell Telephone	8	6.01	133	132½	133	133	369	133½	125
Consumers Gas	10	5.91	169	168	168	166¼	93	169	159
Dom. Telegraph	6	6.61	..	..	..	..	..	44½	43
Kaministiquia	8	7.80	..	..	..	..	..	113½	102¼
Mackay, com.	7	5.98	117½	115	116½	114¼	830	120½	110¼
Do. pref.	4	5.92	67½	67	67½	67	208	71½	65
Mexican Light, com.	..	....	..	..	..	..	..	20	18
Do. pref.	..	....	..	..	..	..	..	40	38
Montreal L. H. & Pr. Cons.	7	4.09	172	170	170½	171½	2375	176½	140¼
Montreal Telegraph	8	6.20	51½	51¼	51½	50½	50	52½	48
Ottawa L. H. & Pr.	6	7.05	86	85	86	83½	21	86	81
Quebec Power, com.	..	....	86¼	79¼	82	79½	2519	79¼	64
Do. pref.	7	7.00	102¼	98	102¼	100	33	102¼	90
Shawinigan	7	5.36	131	130	131	129¼	401	135½	118½
Southern Can. Power	1.00	....	67	64	66	66½	619	67½	51½
Transportation—									
Canadian Pacific Rly.	10	6.71	149½	149	149½	150	128	154	147½
Canada Steamships, com.	..	....	11	10	10½	10½	140	16	10
Do. pref.	..	....	47½	46¼	47	46¼	247	52	41½
Tractions—									
Barcelona	..	....	..	..	..	..	..	20	12⅛
Brazilian	4	8.55	48	46½	47¼	47¼	3388	53¼	41¼
Detroit Un. Rly.	..	....	29	27½	27½	30	65	72½	30
Duluth-Superior	..	....	25	25	25	25¼	13	35	19½
Illinois Traction, com.	2	1.99	..	..	..	..	..	103	60
Do. pref.	6	6.45	93	93	93	93	1	94½	87
Montreal Trams	10	5.95	168	167	168	167	19	170	148
Ottawa Traction	4	6.66	..	..	..	..	..	60	60
Porto Rico Rlys., com.	..	....	30	28½	28½	29	100	29	17
Do. pref.	7	9.21	76	76	76	77	8	77	66
Quebec Rly.	..	....	..	..	..	..	..	18½	14½
Toronto Railway	..	....	96¼	93	94	96½	1248	100	30
Twin City, com.	4	8.33	49½	46½	48	47¼	544	69	45
Winnipeg Elec., com.	..	....	36	34½	35	34½	1154	36	24
Do. pref.	7	8.33	84	82½	84	80½	177	85	74
Textiles—									
Can. Conn. Cotton, pref.	8	....	..	..	..	..	..	80	53¼
Can. Converters	7	9.33	74½	74½	74½	75	10	90	70
Can. Cottons, com.	8	8.24	97	97	97	96	25	111	85½
Do. pref.	6	6.70	89½	89½	89½	89	10	91	86½
Can. Woollens, com.	..	....	5½	5½	5½	7	50	7	5½
Do. pref.	..	....	35	34½	35	35	15	41½	34¼
Dom. Textile, com.	4.00	7.01	57½	56½	57½	56½	1073	66	53½
Do. pref.	7	6.45	108½	108	108½	108½	25	109½	104½
Monarch Knitting, com.	..	....	..	..	..	..	..	25	25
Do. pref.	7	9.33	75	75	75	68	10	82	65
Montreal Cotton, com.	6	6.12	..	..	..	..	..	100½	98
Do. pref.	7	6.60	107	107	107	106	25	107	104
Penmans, com.	8	5.22	153	148	153	148	210	165	134
Do. pref.	6	6.18	97½	97	97	95	26	97	92
Wabasso Cotton	4.00	8.33	50	47	48	50	985	72	50
General Industrials—									
Amer. Salesbook, com.	5	....	38	37	37	38	15	47	38
Do. pref.	7	8.28	85	83½	85	85	25	95	85
Asbestos, com.	..	....	24½	24½	24½	23	10	35	19
Do. pref.	6	10.00	..	..	..	..	..	62	52
Atlantic Sugar, com.	..	....	..	..	..	..	..	21¼	11
Do. pref.	..	....	..	..	..	..	..	51	32½
Bird & Son, pref.	7	8.75	..	..	..	..	..	89	80
B.C. Fishing	..	....	..	..	..	..	..	18	8
Burt, F. N., com.	10	7.63	131	131	131	131	19	137¼	125
Do. pref.	7	4.96	131	131	131	136	10	136	131
Canada Cement, com.	6	7.01	86	85½	85¼	86	289	93	83½
Do. pref.	7	6.79	103	102½	103	104	196	108	102¼
Can. Gen. Electric, com.	6	5.35	..	..	..	..	..	58½	52½
Do. pref.	7	6.58	53½	53¼	53½	53½	50	54	51½
Can. Indust. Alcohol	10	....	35	31¼	34¼	31	10596	32¼	26
Canadian Salt	8	7.14	110	110	110	112	25	115½	109
Carriage Factories, com.	..	....	..	..	..	..	..	2½	½
Do. pref.	..	....	..	..	..	..	..	17	15
City Dairy, com.	3	....	58½	56	58	56	285	56½	40¼
Do. pref.	7	6.54	107	107	107	108	10	110	104
Crows Nest Coal	6	13.04	..	..	..	..	..	51¼	46
Cuban Can. Sugar, com.	..	....	7½	7½	7½	7¼	45	13	6
Do. pref.	..	....	35½	35½	35½	39	75	54	33
Dom. Canners, com.	..	....	33⅛	33	33	34½	15	35⅛	20½
Do. pref.	7	7.95	88	88	88	88	50	90	82
Dominion Glass, com.	7	6.48	110	108	108½	109	160	110	102½
Do. pref.	7	6.60	106	106	105½	105½	1	107	103
Dominion Stores, com.	1.00	....	..	..	..	..	..	..	..
Do. pref.	8	8.88	..	..	..	..	..	..	..
Davies, Wm. (A)	..	....	..	..	..	..	..	20	15
Eastern Theatres, com.	..	....	..	..	..	..	..	14½	12
Do. pref.	7	10.29	..	..	..	..	..	70	67
Ford Motor	10	....	..	..	..	..	..	485	450
Goodwins, com.	..	....	..	..	..	..	..	48½	17
Do. pref.	7	7.77	..	..	..	..	..	95	69½
Goodyear Tire, pref.	7	9.65	72½	72	72½	72½	83	81½	71
Frontenac Brew., com.	..	....	73½	73	73	72	125	73½	60
Do. pref.	7	7.52	93	93	93	92	1	122	90
Holt, Renfrew, pref.	7	....	..	..	..	..	..	66	52
Interprov. Brick, com.	6	9.09	..	..	..	..	..	66½	66
King Ed. Hotel	..	....	..	..	..	..	..	21	21
Lyall Construction	..	....	13½	13½	13½	13	25	21	10½
Macdonald, A.	..	....	..	..	..	..	..	5	4
National Brewer., com.	4.00	7.20	55¼	54	55¼	54	1507	56½	48½
Do. pref.	7	7.03	..	..	..	..	..	100	95
Pacific Burt, com.	6	6.15	..	..	..	..	..	101	94
Do. pref.	7	6.93	102	112	102	102	5	106	100
Port Hope Sanitary, com.	..	....	..	..	..	..	..	50½	49
Do. pref.	7	7.77	..	..	..	..	..	90	90
Rogers, Wm. A., com.	..	....	..	..	..	..	..	70	45
Do. pref.	7+1¾	7.60	..	..	..	..	..	100	88
Russell Motor, com.	..	....	..	..	..	..	..	18	17½
Do. pref.	7	14.00	..	..	..	..	..	56	48
Sherwin-Williams, com.	6	5.12	117½	114	117	119	375	119	100
Do. pref.	7	7.00	100	99¼	100	99½	95	103	98½
Sterling Coal	4	10.00	..	..	..	..	..	44	40
Tooke Bros., pref.	..	....	..	..	..	..	..	40	38
Tuckett Tobacco, com.	4	6.89	..	..	..	..	..	64½	57
Do. pref.	7	7.29	96	95	95½	95	78	97	92½
Woods Manufacturing, com.	..	....	..	..	..	..	..	35	25
Do. pref.	7	11.11	..	..	..	..	..	67	63
Trust and Loan—									
Canada Landed	10	6.25	..	..	..	..	..	86	78½
Can. Permanent	12	6.55	183½	183½	183½	183	19	187	179
Colonial Invest.	6	....	..	..	..	..	..	7	4
Hamilton Prov.	10	6.89	..	..	..	..	..	146	141
Huron & Erie	7	5.69	..	..	..	..	..	125	120
Landed Banking	9	6.52	..	..	..	..	..	148	138
Montreal Loan	12	6.48	..	..	..	..	..	46½	46½
National Trust	12	5.66	..	..	..	..	..	215	210
Real Estate Loan	7	7.86	..	..	..	..	..	89	85
Toronto Gen. Trusts	12	5.81	..	..	..	..	..	210	202
Toronto Mortgage	10	5.86	..	..	..	..	..	85½	81½
Union Trust	7	8.23	..	..	..	..	..	85	84

Story of the

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THE MOST COMPLETE REPORT not only of the part which Canadian representatives such as:

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Fred M. Brown (Montreal Consulting Engineer)
B. F. Haanel (Consulting Engineer Div. Fuel and Fuel Testing, Ottawa)
H. G. Acres (Former Chief Hydraulic Engineer, H.E.P.C. of Ontario)
Julian C. Smith (Vice-Pres. Shawinigan Water & Power Co.)
F. A. Gaby (Chief Engineer, H.E.P.C.)

and a dozen others played in the recent WEMBLEY CONFERENCE, but also of the part played by the hundreds of other leading engineers of the United States, Great Britain, France, Spain, Italy, Japan, Austria, Germany, India—in fact, all the representatives of the 30 countries attending this unique conference.

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ANOTHER COAST ELEVATOR

VANCOUVER.—A. E. Woodward, who started the first private elevator in Vancouver and later sold it to the Harbor Board, has organized another elevator company and secured a site on which he will erect a plant at a cost of about $250,000.

BIG LUMBER ORDER

VANCOUVER.—The Southern Alberta Lumber Company has received orders to supply the Montreal Harbor Board with two full cargoes of lumber from British Columbia mills, the quantity being in excess of seven million feet.

Pulp and Paper

MAKERS OF PAPER JOIN TO BATTLE EUROPEAN FIRMS

Canadians Asked to Join Campaign Against "Unfair" Imports

From Our Own Correspondent.

NEW YORK.—With the avowed purpose of fighting "unfair, illegal and improper methods of importation of overseas paper," a representative committee of men connected with the American paper industry has been formed, and a campaign inaugurated to finance a three-year battle, which the committee believes will result in the elimination of the present alleged unfair competition While the committee so far has confined its attention to interesting American manufacturers of paper in its plans, it is understood here that the Canadian manufacturers are to be approached, with a view toward obtaining their co-operation. The committee, those in close touch with its activities tell THE FINANCIAL POST, regards the fight it plans to make as being as much in the interest of the Canadian branch of the American paper industry as it is o that portion of it domiciled in the United States. Canada finds its largest and best market for its paper in the United States. Anything which seriously disturbs conditions in the American paper market is as much Canada's affair as it is the United States. It should stand shoulder to shoulder with the American manufacturers in their fight against the dumping of low-cost pulp and paper in the American market.

Who is on the Committee

The committee, which is made up of members and non-members of the American Paper and Pulp Association, represents five basic groups of the paper industry. Its five members are W. F. Brunner, Paterson Parchment Paper Company; J. L. Fearing, International Paper Company; John R. Miller, West Virginia Pulp and Paper Company; W. J. Raybold, B. D. Rising Paper Company; Henry W. Stokes, York Haven Paper Company, and Warren B. Bulloch, of the American Paper and Pulp Association, who will act as secretary.

In a "manifesto," the committee issued early this week, it is stated that a rehabilitated Europe will "soon seek our markets with increasing diligence." Unfair competition on the part of importers of overseas paper of various kinds, the statement says, has produced demoralization of several branches of the paper industry.

The statement makes it quite clear that the fight planned by the committee is not one for tariff revision, but one for law enforcement only. The committee, according to its statement, aims to uphold the government officials appointed to supervise the importation of paper of all kinds in their efforts to prevent misclassification, undervaluation, dumping, and all other forms of unfair competition, from foreign paper of every grade, and to protect the industry generally from the consequences of these evils.

In outlining the organization which is to wage the proposed campaign, the committee announces that each of its five members will head a sub-committee of manufacturers in each of the following branches of the paper industry, fine papes, book work, newsprint, wrapping papers, and specialty papers. The work of these sub-committees is to be co-ordinated by a "chief." This man will be selected by reason of his knowledge of the paper industry as a whole.

Will Watch the Costs

The committee plans to employ a general counsel to direct the legal side of its work. Customs experts are to be employed to meet, follow, check, and investigate, every entry of foreign paper at the various points of entry and to protest at once any importations which they believe have been unfairly made. The committee's plans also include the organization of a statistical staff and eventually the investigation of conditions in the paper industry abroad. This investigation it is hoped will enable the committee and its members to keep close touch with manufacturing costs and conditions in overseas countries.

The newly- formed committee will co-operate in its work not only with the American Paper and Pulp Association, but also with the association of representatives of the supply and equipment industries affiliated with the pulp and paper industries, formed in this city early in July.

This association, which is known as the Allied Industries of the pulp and paper trade, at a meeting held in the Waldorf Astoria, appointed a committee of seven to prepare plans and to make recommendations as to ways and means whereby the allied industries could help the papermakers in their fight against unfair overseas competition.

Equipment Firms Line Up

The Allied Association was formed in response to a demand on the part of most of the larger equipment and supply manufacturers that everything possible be done to help the pulp and paper manufacturers in their fight. The companies which sell equipment and supplies to the paper industry in the United States and Canada have been finding that their business has been so seriously affected by European competition, that they came to see some time ago that it was in their own interest to make common cause in this matter with their customers, the papermakers.

Like the committee of manufacturers, they apparently feel that the adoption of the Dawes Plan by Germany will inaugurate sharper competition on the part of German pap exporters. In her efforts to liquidate her debts in the shortest possible time, Germany will do all in her power to increase her exports. The equipment men believe that the chief market at which the Germans will aim will be the United States. This is the country from which most of the European paper is to-day coming. The German paper has already seriously disturbed the American market by reason of its low cost, and the prices at which its makers are prepared to sell it in the United States. Any further increase in German imports will have an even more serious effect, it is said.

Thunder Bay Starts on Addition to Mill

PORT ARTHUR. — The Thunder Bay Paper Company has commenced work on the new addition to the mill, and gangs of men are now at work preparing the ground and putting in the foundations. It is expected that the changes will be completed by August and that the capacity of the mill will be increased from 65 to 120 tons per day.

May be Competition for Riordon's Power Site

From Our Own Correspondent

MONTREAL.—There is some likelihood of competition springing up for the Chelsea power site of Riordon, which is up for sale along with other Riordon sites. Two local banking houses are said to have their eyes on the property, and are ready to pay a good price for it. The Chelsea site on the Gatineau will develop about 100,000 h.p.

Soon Provide Salt Cake for Own Sulphate Mills

The development of salt cake deposits in Saskatchewan and Alberta indicate that the sulphate pulp mills of the Dominion will soon be using the Canadian product exclusively. A prediction to this end is made by E. N. Todd, freight traffic manager, C. P. R. Plants in Ontario and Quebec used 45,000 tons last year. Salt cake at present is obtained as an artificial by-product of acid works, and is imported from the United States and England. Customs reports show that imports of this material during the year totalled 68 009,505 pounds, valued at $686,149.

Price Brothers Sell Paper to 21 Journals

From Our Own Correspondent.

MONTREAL.—While few industries have as small a marketing problem as the newsprint manufacturer it is surprising how many different customers a single newsprint mill will have.

Price Brothers, for instance, supply over a score of newspapers with newsprint. Its customers' list is as follows:

United States:—New York Times, New York Tribune, Philadelphia North American, Philadelphia Record, Philadelphia Public Ledger, Richmond News Leader, Syracuse Herald, Washington Star, Buffalo Courier, Akron Times, Buffalo Express, Christian Science Monitor, Columbus Dispatch, Louisville Courier Journal, Nashville Banner, Pittsburgh Post.

Canada:—Montreal Herald, Montreal Witness, Quebec Telegram, Quebec Chronicle, Hamilton Spectator.

The manner in which newsprint paper is marketed is favorable to the manufacturer, as it is sold under contract, and the manufacturer does not maintain a supply of paper on hand, thus reducing to a minimum the hazards of large inventory.

TAKE OVER BAY SULPHITE ASSETS

Port Arthur Pulp and Paper Corp. has taken over Bay Sulphite assets at Port Alfred, on the Saguenay River. Bay Sulphite was organized at the suggestion of the British Government and through the co-operation of leading British and French newspapers and paper manufacturers, including companies owned by or supplying the London Times, Daily Mail, Daily Telegraph, Daily Mirror and Evening News. The company commenced operations in 1918. The capacity has been increased to 40,000 long tons per annum. The company, in its own right or through its subsidiary, controls approximately four and a quarter million cords of pulpwood.

WAYAGAMACK

Officials of the Wayagamack Pulp and Paper Company, this week, denied the report that the company would erect a plant at Rouses Point, New York.

The object of such a mill would be to convert into finished wrapping paper Wayagamack kraft pulp. Kraft paper cannot be sold in the States because of the high customs duties but pulp goes in duty free. Brompton, for instance, sells pulp from its Canadian mills to its American subsidiaries which make the pulp into paper and thus give Brompton the benefit of the American market.

LAURENTIDE COMPANY

The Laurentide Company announces the removal of its sales office from Grand'Mere, P. Q., to Montreal. For some time E. L. Crooker, the sales manager for the Laurentide Company, who is also the manager of the Canadian Export Paper Company, has spent much of his time in Montreal where he has his residence. The Laurentide sales office will be located in the Canada Cement Building, where the Canadian Export Paper Company offices are.

The only member of the Laurentide sales staff affected by this new order is S. H. Smith, who has already left for Montreal. William Fowler will remain in Grand'Mere for the present as the sales department's representative there.

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From Our Own Correspondent.

NEW YORK.—Will the motor bus solve the big city's transportation problem?

There are many American transportation experts who believe it will and are giving practical expression to this belief. One of the most interesting of these new enterprises is the Omnibus Corporation of America. This is a corporation sponsored by a powerful group of New York bankers which plans to take over the ownership of the Fifth Avenue Bus Securities Corporation and the Chicago Motor Coach Co. The Fifth Avenue Bus Securities Corporation owns and operates through a subsidiary the famous Fifth Avenue buses in this city; the Chicago Motor Coach Corporation operates a similar line of buses in Chicago. Ownership of the Fifth Avenue Bus Securities Corporation has already passed to the Omnibus Corporation of America; it is expected that the shareholders of the Chicago corporation will approve similar action on the part of the executive of the Chicago Motor Coach Co.

As soon as organization work is complete, the Omnibus Corporation plans not only to expand the lines of the Fifth Avenue Bus Corporation, but to add to the routes of the Chicago Motor Coach Co., and to extend its operations into other cities as well. For instance, it is understood that, through a part ownership the Chicago Motor Coach Co. has in the St. Louis Motor Coach Co., this latter company will eventually become a part of the Omnibus Corporation.

Other Developments

Following closely upon the announcements of the Omnibus Corporation has come one from the management of the Brooklyn Manhattan Transit Corporation, the corporation which owns and operates the whole Brooklyn transit system, subway, surface and elevated. This announcement states that a new subsidiary of the B. M. T. has been formed to be known as the Brooklyn Bus Corporation, to own and operate bus lines in the borough of Brooklyn.

Along with these two announcements has come another from Charles M. Schwab, chairman of the Bethlehem Steel Corporation. Mr. Schwab announces that he is to be chairman of the board of the Six Wheel Corporation, an organization which will manufacture six wheel motor buses and trucks.

The last two announcements were of particular interest to the student of urban transportation on account of the statements which accompanied them.

In announcing the plan of the Brooklyn Bus Corporation to buy ten big motor buses and to begin the operation of new bus routes in Brooklyn, as soon as the necessary franchises could be obtained, G. M. Dahl, Chairman of the Board of the B. M. T. said:

"Our directors have come to the conclusion that operation of buses is a desirable part of the operation of a comprehensive transit system. We have purchased these buses in order that the public may understand that we are anxious to give them the broadest possible service. Various sections of Brooklyn have developed very rapidly in the last few years. Construction of rapid transit lines into these sections is practically impossible. Such lines would be extensions of trunk lines that are already over-crowded. Even in surface railroads further extensions will take time and must be carefully considered. Houses can be built and occupied within a year. A new suburban section may become thickly populated within a short time and still be without adequate transportation facilities. Bus operation seems the logical and immediate method of furnishing such service. If a transit line is later built through a section, where buses now operate, the buses can be shifted to another section without loss of capital."

Mr. Schwab in announcing his Six Wheel Bus Corp. said:

"In the transition through which land transportation has been passing in the last few years the highway is playing a part of increasing importance. No present-day problem has fascinated me more than the need which has thus arisen for a proper co-ordination of the rails and the highways. With 2,941,000 miles of highways in the United States as compared with only 251,000 miles of steam railways and 47,000 miles of electric railways, the vast opportunity which lies before motor transportation is most interesting."

While there is every reason for believing that the motor bus is coming into its own in Greater New York and many of the larger cities of the United States, those interested in extending its usefulness in New York at least are confronted by the opposition of the city government. The present New York City administration is committed to a policy of public ownership and has already made it quite clear that it will not give new privately owned bus companies franchises, without a bitter fight. Thus the new bus companies are in the same boat as the rapid transit companies which have been trying for years to obtain permission to construct new subways. The politicians are blocking all attempts to give the rapidly growing suburbs the transit facilities they need.

The advocates behind the motor bus are renewing their efforts to capture the growing traffic at a time when established transportation facilities are in a particularly vulnerable position. This makes their chances of success in competition with the subways and surface lines materially better than they have been for years back. Present prices and condition of the financial markets has had its effect on the fortunes of all transportation companies, steam and electric, while millions have been added to the populations of the larger cities in the United States since 1917. An advantage is that if it is found that a motor bus route does not pay it is a simple enough matter to use the buses elsewhere. There is no question of maintenance of trackage involved.

The stage seems set for the rapid development of motor bus transportation, most students of transportation will tell you. Whether this development will mean the virtual elimination of the street car as it is at present known, it is still difficult to say. It may well be that the bus will only serve at least within the city limits as a feeder for subways and surface lines. But it is not altogether unlikely, if conditions facing the established street car companies continue as they are, that the bus may in time replace the street car entirely.

Twin City Absorbs Competing Buses

Twin City Rapid Transit Co. has bought the interurban motor bus line for the reported price of $500,000. Operation of buses by the street car company has already started. Two remaining interurban bus lines will be acquired, and the principal suburban lines, particularly those competing with trolleys in adjacent lake resort traffic, are expected to be bought within a few weeks. This step is similar to that of other companies, which like Twin City, have been suffering reduced profits owing to business competition and seems to be the best way out of the difficulty. It is obvious that, for the convenience of the masses in large centres, traction services cannot be dispensed with. If they are essential they must be allowed to make enough money to exist and to make returns on money invested. If bus service is essential it should be provided for the convenience of the public and it is entirely logical that established traction companies giving an essential transportation service should be franchised to render as well this auxiliary service, thus meeting the requirements of the public and protecting the interests of investors.

Big Power Merger is Consummated in Quebec

Montreal Light, Heat & Power Cons. in a letter announcing the taking over of operations of the Quebec New England Hydro-Electric Corporation, which is sent to all the clients of the latter company, stresses the advantages of a non-competitive public utility service to the individual users and the community at large. The letter recounts the efforts made by Montreal Power during the past few years to unite all the small electric and other allied public utility services in this district and stating:

"The operation of the Quebec-New England Hydro-Electric Corporation by the Montreal Light, Heat & Power, Consolidated, finally completes our endeavors of many years to give to the citizens of Montreal and district all for which a progressive public utility stands, the elimination of duplication and waste, efficient, always available and courteous service at a low cost."

The management of the Montreal Light, Heat & Power Cons., in referring to the consolidation, points out that the elimination of competition in a pubilic utility service tends to conserve natural resources not only in investment, but also in operation. No matter how an unnecessary investment in a utility finally works out, it is the public, either as a user of the service or investor, and usually both, that pays the loss as a result of an economic waste.

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MONTREAL

BRITISH ADVICE MAY BE FOLLOWED BY BRAZILIANS

Experts Recommend Direct Taxes and Balance of the Budget

In view of Canada's large holdings of and general interest in Brazilian Traction, the action of the Brazilian government with regard to the recommendations of the British financial mission, the report of which has just been published, is of the utmost interest. That budget equilibrium should be established and maintained is the outstanding recommendation. The report as a whole is an extremely valuable commentary on public finance.

After making brief reference to the fact that the Brazilian budget had not been balanced since 1908, the report offers a scheme of administrative reform in this respect. The drawing up of estimates in advance is urged, and it is emphasized that no proposal for new forms of expenditure should be included in the estimates without the sanction of the treasury. A very thorough paring down of expenditure is recommended. Along with these suggestions the introduction of new forms of direct taxation, and especially the income tax, is strongly advised, with a view to the shifting of a portion of the burden of taxation from the poorer to the wealthier sections of the community. The establishment of a death duty by the Federal government is urged.

Some of the more general recommendations of the mission were those which concerned the withdrawing of the government from certain branches of enterprise. The sale of the government-owned Federal Railways, and the Lloyd Brasiliero Steamship Company as well as the Federal government's shares in the Bank of Brazil, is advised.

It was urged by the mission that the cessation of currency inflation would tend to right the trade balance, and that the carrying out of the other suggestions would gradually improve the entire financial situation. After the departure of the experts, the Brazilian government expressed its intention of following out the recommendations, and there are indications that steps have been taken in this direction.

How Power Companies Line Up as to Funded Debt

From Our Own Correspondent.

MONTREAL.—Some statistics of interest concerning the comparative funded debt per horse power of important power companies in Canada and the United States have been compiled in connection with the Duke-Price bond issue.

As they are of interest to investors in all the companies, they are given here:

Hydro-Electric Stations	Funded Debt	Horsepower Generating Capacity	
Cedars Rapids	$14,779,000	174,800	$ 84
Kentucky	4,000,000	30,000	133
Laurentide	8,934,000	165,000	54
Manitoba	7,500,000	56,000	133
Mississippi River	21,712,700	150,000	144
Niagara Falls	37,569,500	621,400	60
Northern Canada	4,500,000	49,000	91
Pennsylvania	13,878,000	150,000	92
Power Co. of N. Y.	6,950,000	41,500	167
Shawinigan	20,738,000	250,000	82
St. Maurice	10,000,000	120,000	83
Southern Canada	4,637,500	44,000	105
West Kootenay	3,077,687	60,000	51
Youghiogheny	2,750,000	24,000	114
Duke-Price	12,000,000	360,000	33
Steam Stations			
Holtwood	2,750,000	30,000	91
Metropolitan	3,250,000	40,000	81
Ohio River	7,000,000	88,000	79
Public Service	14,000,000	200,000	70
Wisconsin	9,000,000	173,333	51

It might be pointed out though that the price received for the power sold should be considered in comparing capital charges. If a company can sell power at, say, $50 to $60 per h.p., a much larger capital investment is justified than in the case of a company that sells its power at only $8 to $12 per h.p.

United Securities May Liquidate Tram Power

From Our Own Correspondent.

MONTREAL.—It is suggested that the United Securities Corporation, the new company in control of Montreal Tramways and Power Company, may proceed to liquidate the latter company. They have secured control of about 125,000 shares. or about 70 per cent. of the outstanding stock, and the date for conversion of the remaining stock has passed. Current estimates are that if the company is liquidated the return to shareholders who did not convert will not be larger than, if as large as, for those who converted their stock into United Securities.

DIVIDEND ACTION NEAR

Quebec Power Shares have just recorded a new high, 102¼. Opinion is that the advance presages dividend news in the near future. It has long been felt that the stock would be on a 4 or 5 per cent. basis by fall. It has also been a foregone conclusion that with the company progressing as it is under Shawinigan administration it would sell on a rather low yield basis. The movement is distinctly encouraging to even those shareholders of the old Quebec Railway who were disgruntled at the basis of exchange offered them. Interests who were instrumental in bringing the company under its present management, and who were subjected to criticism, express much gratification at the move, which they regard as justifying their confidence, the property based on growth of population and therefore of earnings and a swollen expenditure account which it was obvious efficient management would cut down. They regard the company as having a splendid future, in which it is destined to rank in the first flight of public utilities of the country.

Detroit United Will Fight Buses With Buses

MONTREAL. — Detroit United Railway is getting new bus lines into operation.

The D. U. R. has serious tariff problems to solve. Competition from motor buses has taken away most of its established passenger business on the interurban lines outside of Detroit. Plans now involve the equipment of the company with motor buses that will act as feeders for the electric lines, thus enabling a fast service to be given that cannot be duplicated by the competing bus lines.

Officials of the company look forward to a five year programme of development that they believe will restore the company's earning power to sizeable proportions.

Public Utility Earnings

PORTO RICO EARNINGS

	1923	1924	Increase	P. C.
June—				
Gross	109,242	120,532	11,290	10.33
Net	35,479	29,954	5,524	15.57
Six Months—				
Gross	661,584	724,333	62,751	9.48
Net	222,423	258,882	36,459	16.39

BARCELONA EARNINGS

	Pesetas 1924.	1923.	Incr.
June			
Gross earn. from oper	4,452,601	3,711,837	740,764
Oper. exp.	1,722,696	1,160,178	562,518
Net earn.	2,729,905	2,551,659	178,246
Gross earn. from Jan. 1	28,367,153	25,758,987	2,608,166
Net earn. from Jan. 1	17,254,367	14,652,997	2,592,370

STAND. CHEMICAL PROFITS LOWER; A DEFICIT IS SHOWN

Company Has Improved Working Capital—Competition Keen

Standard Chemical in the year ending March 31 last replaced the previous year's net profit of $42,626 with a deficit of $4,962. The 1922 report showed a $762,368 loss. Operating profits were materially lower, dropping from $292,110 to $226,106; of this $191,854 was set aside for depreciation, leaving $34,252, while debenture interest charge was $35,215 which created the deficit. Working capital at $1,159,746 is an improvement over the 1923 total of $972,820. Investments are $100,000 higher. Inventories $150,000.

The present outlook, after a generally unsatisfactory period, is still obscure. David Gilmour, president, says the wood product demand has not been heavy. He adds:

"Owing to competition in the charcoal market the price of this commodity was forced down, with a resulting considerable difference to our year's revenue from that source. The withdrawal of formaldehyde from the Safeguarding of Industries list in England, where we do a considerable business in this substance, lost us the protection that we had been enjoying. By far the larger part of our export trade is with England, where competition continues to be intensive and is likely to be more so in view of the trend of legislation there. While it is expected that the Canadian tariff changes will affect our domestic trade to some extent, this can only be a matter of conjecture at present. The prices of export products were all downward during the year and since the closing of the accounts, prices have declined still further.

"Accumulation of wood products in the United States have been increasing for months, even with only 65% of the plants in that country at work.

"The outlook generally continues obscure. The disturbing element of overproduction due to the large number of new factories which were brought into being in all countries by the war, is still having a depressing effect. The liquidation of these investments everywhere is proceeding but slowly and during the process, we, like many other wood distillers, are suffering. A large number of our factories have again remained idle during the year, emphasizing once more the fact that the company's business can be met by a reduced number of establishments and your directors have for some time now been endeavoring to formulate a scheme that would take care of this difficulty with the least hardship to shareholders. It is expected that some solution in this direction will shortly be placed before you. With the redundant factories out of the balance sheet, the company would be better able to carry on the business in a way that must beneficially affect its future."

BIG GASSER ABOVE ALBERTA OIL FIELD

Geologist Says Drillers Will Have to go Deeper Than in Montana Field

Oil men seem set on the Coutts area in South Alberta, just over the Montana boundary, as Canada's best bet for a big oil field. The deeper test of the Rogers-Imperial gasser is important. The owners, Canadian Oil and Refining, will drill another well half a mile east of the big gasser, while Northwest Development, an Imperial Oil subsidiary, will drill east of Coutts with a big rotary outfit. Dr. M. L. Williams, heading two geological parties in the Alberta field this summer, expresses the opinion that it will be necessary to go to a greater depth than in the Kelvin-Sunburst field in Montana. His theory is that there are a great number of folds radiating from the Sweetgrass Hills uplift, the Rogers gas well being on one of these, the Kelvin-Sunburst wells on another. He considers these structures well located for the accumulation of oil. The presence of gas in such enormous quantities is certainly the best kind of a sign. Of course, it may be a tedious job to find the oil, but the only means of finding it is to drill for it, he says.

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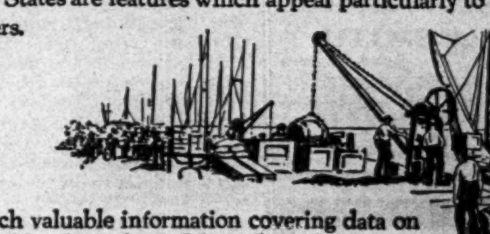

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Lyall Opposition Have Not Organized as Yet

From Our Own Correspondent.

MONTREAL.—A movement instituted by minority shareholders in Lyall Construction to go after the directors for more information about the company's operations has not yet reached important proportions. To date the sum total of the opposition to the present management has been the protests of a few individual shareholders registered at the recent annual meeting.

Lyall has not been making as much money as expected on its Welland canal and Esquimault contracts because the Canadian government, which let the contracts, forced the company to pay higher wages to workmen than had been counted on. It is expected that the company can recover the additional wage bill, although in the last year's report the situation was responsible for an important cut in earnings.

Lyall has not been getting any large new contracts. Construction jobs on new buildings are difficult to get without financial support by the contractor and Lyall is opposed to this at the moment.

News of the Mines for the Investor

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HELPS COPPER MARKET

One reason for improvement in the copper market is the forcing of Cerro de Pasco Copper Co. to curtail its Peruvian operations to 25 per cent. of capacity. The Peruvian government's action is because of the claim that agricultural and grazing interests have been adversely affected as the result of smoke and fumes from the new smelter, which has been in operation about a year and a half. Due to this government pressure, the production of the company has been reduced to 25 per cent. of its capacity, pending the installation of some process to destroy the smoke and fumes. It is estimated that this will take about a year to accomplish.

As the company has been producing more than 100,000,000 pounds of copper per year, its production for the next twelve months will be only about 25,000,000 pounds unless the government permits it to operate at greater capacity. While this is unfortunate for the Cerro de Pasco Copper Company, it will be a benefit to the copper metal market.

LORRAIN ISSUES SHOULD BENEFIT BY NEW DISCOVERY

Finding of High Grade on Old Maidens is Important

The finding of high grade ore on the Canadian Lorrain, formerly the Maidens, is of wide importance to South Lorrain and may focus more attention on the South Lorrain issues in the future. To-date the producers in the camp have been confined to a very small area. Nothing of importance was opened up outside this area and there have been those who were quite skeptical as to whether or not the camp was ever going to amount to anything. In fact, some say this is an explanation of the weakness which has been constantly manifest in the shares of Lorrain for any constructive buying on the part of the public is said to have met with just the same amount of short selling on the part of those who were bearish on the camp.

The Canadian Lorrain discovery of high grade running up to 8,000 ounces, in an area considerably removed to the east from the present producing section, shows that there are chances for big things for legitimate effort in the camp.

Otherwise the mining market has not been very active. Castle has moved up with steady buying and the rest of the silvers have about held their own. There has been a fair demand for some of the gold shares, but nothing spectacular. Hunton is reported to have cut the vein which was located some time ago by diamond drill and which necessitated a long crosscut to explore. If the report is true, it means that the management has reached the objective sooner than expected. Buying is reported to come from Rochester. It was Rochester interests who are financing the Hunton development.

Loadstone is Found on Iron Claims Near the Soo

Operations on Mississauga Exploration and Development property at Mileage 68, Algoma Central, have revealed loadstone. This magnetic iron, or loadstone, has been found across forty feet in a 300-foot vein, and occurred through a half mile stretch. Mississauga Forest Reserve is one of the few places where loadstone has been found. It is found in a number of places in the United States and in Sweden and Asia Minor. The deposit in Asia Minor is near the village of Magnesium, from which the word "magnet" is derived. It is expected that samples from the Mississauga Company's claims will assay as high as 70 per cent.

Indians Placer Gold Find Exciting B. C.

PEACHLAND, B. C.—An Okanagan town is quite excited following upon a reported strike of gold by Indians. A few days ago some Indians reached Peachland with nearly $100 in placer gold and since then parties have left for the interior to return with well-filled pouches, but absolutely non-committal as to the source of their wealth.

A rush of Peachland residents has started in the hope of getting on the Indians' trail but so far none of the "sleuths" have been successful in finding the precious metal.

SINK ON SOUTH KEORA

Heavy Calcite and Cobalt Bloom Showing a Big Break

Reports from Lorrain are that the break encountered on the South Keora claims has been opened up for 600 ft. Sinking operations are now starting at a point where there is a heavy showing of cobalt bloom and calcite.

LA ROSE MUST PAY

La Rose mine must pay O'Brien Cobalt mine its claim in full, estimated at around $200,000. This is the old Violet boundary dispute and the amount of the claim represented silver mined on a part of the property which later was awarded to O'Brien's by the courts. It is understood that La Rose, just about closed down, has less than $200,000 in its treasury La Rose may appeal.

RE-OPEN 20-YEAR-OLD MINE

Vancouver Island interests have under consideration the reopening of the Lenora mine, on Mount Slicker, B.C., from which a considerable quantity of copper was mined some 20 years ago. It hardly seems a propitious time to restart copper mining.

MILL TEST SHOWS $53

A mill test recently made by Kalun Lake Mines, in B.C., is said to have given a return of $53 in gold and silver per ton. The development of the property is to be continued, and if the grade of ore found near the surface holds at depth a mill will be erected.

DREDGE IN E. KOOTENAY

New York interests propose putting a dredge on French Creek, on the Big Bend, East Kootenay, B.C., if they can obtain assistance toward opening up a road over which to transport the necessary machinery and supplies.

STOP SILVER COINAGE

Mexican Government, in view of the increasing premium of silver over gold, has ordered the suspension of coinage of silver. The premium stands around 5½ per cent.

International Nickel Earnings 14c. a Share

International Nickel net earnings, after depreciation, $359,699 for the quarter ending June 30, were equal to 14 cents a share on the common, as compared with $204,802, or 4 cents a share in the 1923 period. Net earnings in the first quarter of the current year were $418,596, equal to 17 cents a share.

LATEST ASSAYS ON BINGO RUN $23.41

Thirty-six Samples Taken From Three Levels of N. Manitoba Mine

Bingo mine interests in Northern Manitoba are now busy in connection with plans for a mill. It is the intention to put up the best possible, and one that should be 100 per cent. efficient. Jos. Myers, managing director, has just cabled head office at London the following report on assays:

"Thirty-six samples, the latest results from drifting on the first, third and fourth levels, average $23.41 for the full width of the drifts."

KEEN CONTEST LOOMS FOR B.A.N.C. ASSETS

Bethlehem Steel and International May be Competitors For Control of Big Concern

Indications are that there will be close bidding for British-American Nickel assets when they come under the hammer. International Nickel is said to be most interested, as it means the passing of its chief competitor. The latest development, the entry of the Bethlehem Steel Corp. as a possible buyer, should make the International people all the more keen to prevent the entry of the Schwab people into the industry. The Bethlehem Co. is said to have had several important contracts with the B.A.N.C. The fact that nickel alloys are steadily coming into greater use would make the acquisition of the plant desirable on the part of the Schwab people. B. A. N. C. has a fine wire and electrical smelting plant at Nickelton, near Sudbury, and a refinery at Deschenes, near Hull, Que. It is controlled by Norwegian interests, who put about $13,000,000 into the company. Their process of extracting ore is considered most economical. But because of the financial stringency in Norway they were unable to get further working capital to tide over the present period of depression in the industry.

KIRKLAND SHOULD DEVELOP FAST

Mill Enlargements Under Way While New Producers Should Soon Come in

Northern Ontario has six mines producing the bulk of the present output of the Dominion. Hollinger, Dome and McIntyre are the leaders, but of late attention has focused on three Kirkland producers who are now turning out a million a year. The main feature of the trio, says R. Peace, of the Northern Mine, is that all three have enlargement plans under way and are heading toward the two million class. Lake Shore's plans will materialize in a few weeks, Wright-Hargreaves' late this fall, and Teck-Hughes' next year. These three mines in themselves make a fair-sized gold mining camp and, while they are at the moment the only producers in the field, their production will be added to this fall by the resumption of milling at the Tough-Oakes-Burnside, and Kirkland Lake Gold Mine later on.

It is likely that next year will see a mill built on the Sylvanite mine. On the eastern extension of the Kirkland field one mill, that on the Argonaut, is operating, but next year will see mills on the Canadian Associated and Crown Reserve as well.

High-grade Shoot Has Depth of Over 500 Feet

The Dunwell, in Portland Canal B. C. area is doing well. The vein is 8 ft. wide and is said to be high grade from wall to wall. As this drift has been driven northward additional depth on the vein has been gained, and the face of the drift has now reached a depth of 700 ft. on the dip of the vein. The length of this ore shoot is now 548 ft. with high grade ore throughout the entire distance. The ore is native silver and silver sulphides.

ELECTRICAL PROSPECTING

Electrical prospecting is reported being carried on by Nipissing in its search for silver.

WILL DIAMOND DRILL

Diamond drilling, it is understood, will be undertaken on Wettlaufer in S. Lorrain.

NEW MILL FOR YUKON

WHITE HORSE, Yukon.—The Treadwell Yukon Gold Company will build a one hundred ton mill at Werneoke, the official camp of the company in the Mayo district.

DOME'S OUTPUT FAIRLY LEVEL

Dome's July production was $361,993 as against $360,750 in June and $371,055 in May.

MINING CORP. HAS KEPT UP OUTPUT IN PAST 3 MONTHS

Nothing Spectacular in Way of Development Shown in Report

Mining Corp. report on the past three months' operations shows production between 150,000 and 180,000 ounces, about the same as the previous period. Milling ore is steadily accumulating, and will be shipped to Cobalt mill when the railroad is finished in October. The report shows good progress being made, but nothing spectacular developed. Shoots of ore encountered seem to have been rich in silver content, but to lack length.

On the Woods Vein drifting has been on the contact zone, but did not produce high grade.

A sub-level between the third and fourth levels opened a short shoot of high-grade. A sub-level above the third level opened two shoots of high-grade, one 2½ feet long, the other, which has been drifted upon for forty feet, shows six inches of high-grade.

On Watson vein a small amount of work was done. A drift was run south from No. 3 shaft on the second level to the junction with No. 1 vein, and exposed a strong cobalt vein on which no vertical work has yet been done. Drifting south will be continued on this level. A sub-level drift between the fourth and fifth levels exposed a cobalt vein with low silver values.

A drift on No. 1 vein north from the Watson junction is now being run. A short shoot of high-grade ore as wide as ten inches has been exposed but no vertical work on this has been done.

Exploration work on Little Keeley will be started from Frontier workings. Drifts on the sixth level of the Woods' vein and on the fourth level of No. 2 vein are nearing its south boundary.

Forneri claim and others north of it will be developed by a new shaft. The Woods' vein is exposed in the conglomerate which lies as a thin capping on the keewatin formation, the vertical distance to the underlying diabase contact being approximately 600 feet. The vein, as showing in the first few rounds of sinking, is seven inches wide of solid cobalt ore carrying low silver values.

In regard to Gillies Limit, the report says:

A total footage of 564 feet of drifting and cross-cutting was accomplished on the third level. Cross-cut to south encountered a strong east and west vein 145 feet from the shaft. Two hundred and twenty feet of drifting has been done on this calcite vein which is from four inches to six inches wide, but as yet no high-grade ore has been encountered. The south cross-cut has not yet reached its objective, a 12 to 18-inch vein carrying sulphides and cobalt, where exposed on the surface.

In regard Trout Lake Lorrain, no production figures are given.

On 100-ft. level a drift was run north 160 feet. On sub-level, 30 feet above, the drift was carried north 167 feet. On both these levels there was proven a practically continuous shoot of high-grade ore varying from three to sixteen inches in width. Shipments of high-grade ore, produced from this development work, have been made to the smelter, but until complete smelter returns are available it is not considered advisable to estimate the number of ounces of silver recovered. In addition, a considerable tonnage of a good grade of milling ore was added to the mill-ore dump, which has been accumulating since commencement of operations. No work has been done on the 240-foot level recently. On 400 level drifts were carried 200 feet north and south. While no high-grade ore was exposed on this drift, some mill grade was encountered. With the electric hoist and skip now installed, much better progress can be made. The shaft will be deepened and new levels opened up.

SILVER AND OTHER METALS

Aug.	4	5	6	7
Silver				
London (D)	34½	—	34 9/16	34 7/16
N. Y.	68½	68½	68⅝	68⅜
Copper	—	13⅛	13¼	13½
Lead	—	7 50	7 60	7 75
Zinc	—	6 00	6 15	6 20

MINING STOCK QUOTATIONS WEEK ENDING AUGUST 5

	High	Low	Close Aug. 5	Close July 29
Argonaut.....	38	37½	37½	38
Atlas.........	4¼	4	4	4
Baldwin......	2½	2	2	2½
Beaver.......	13¾	12½	13¾	13¼
Bidgood......	6⅝	6⅜	6⅜	7
Buckingham..	4¼	3¾	4¼	3½
Can. Lorrain..	57	54	54	54
Capitol.......	35	33	33	34
Castle Treh...	78	72½	77	72
Clifton Con...	14½	14	14½	14¼
Cons. Smelters	39½	38½	39½	39⅛
Cons. W. Dome	10¼	18¼	19	19
Crown Res....	55	54	54	53
Dome Mines..	15.90	15.50	15.65	15.75
Everett.......	3¼	3⅛	..	..
Goldale.......	21	18	19	20
Hattie........	4¾	4	4¼	4¼
Hollinger.....	13.95	13.85	13.95	13.90
Hunton.......	10½	9¼	10½	9¼
Inspiration....	10	10	10	10¼
Indian........	13½	13	13	13⅛
Keora........	12⅛	11¼	..	12
Keeley........	2.26	2.21	..	2.26
Kirk Lake....	19	19	..	19
Lakeside......	15¼	13	..	13
Lake Shore...	4.00	3.86	..	3.86
Lorrain T. L...	1.34	1.30	..	1.35
Lorrain.......	19½	18½	..	19½
McIntyre.....	16.00	15.75	..	15.90
McKinley....	10½	10¼	..	10½
Mining Corp..	2.40	2.35	..	2.41
Montreal-Ont..	7½	7	7	7½
Newray......	20½	20	20½	21
Nipissing.....	6.10	6.00	6.08	6.10
Night Hawk..	35	35	35	37
Ophir........	4	3⅝	3⅝	4¼
Preston E. D..	11¼	11	11¼	11⅛
Pete Lake....	10	9½	9¾	10
Rouyn.......	21½	21	21	21
Teck Hughes..	1.21	1.17	1.21	1.16
Thompson-Krist	1¾	1¼	1¾	2
Tough-Oakes..	62	56	57	56
Tretheway....	15	13⅝	14¼	13½
Skead........	20	19	19	21
Vickers.......	9½	9½	9½	11
Vipond Cons..	1.03	1.00	1.02	1.01
Wasapika.....	2	1¾	2	2
West Tree....	5	4¾	4¾	5
Wettlaufer....	22½	22	22½	22¼
Wright-Har...	3.75	3.55	3.	3.55
New York Prices				
Int.Nickel,com.	19½	18	..	..
Oil Companies				
B.A. Oil......	34	33¼	33¼	34
Imperial......	106	103½	103½	102
Inter. Pet.....	20½	19½	20½	20
Mutual.......	11¼	10¾	11	10¾
North Star,pref.	3.50	3.50	3.50	3.50

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WHY NOT UTILIZE LIGNITE COAL FOR ELECTRIC POWER?

Could Develop Saskatchewan Deposits for Big Central Station

Electricity from lignite is the suggestion now in Saskatchewan. The suggested scheme is to utilize lignite coal to operate central electric stations and thus avoid the necessity of importing American anthracite. All the electric power needed in Southern Saskatchewan could be developed in this way, it is pointed out.

In Saskatchewan, according to J. B. Hamilton, superintendent of public utilities in Estevan, the total number of tons of coal required for municipal plants is 153,040. This assumes an average for the province of 20 lb. of water per kilowatt with an evaporation of 3.5. The load factor for municipal plants was 14.3 per cent. About 8,000 h.p. is developed every twenty-four hours for 365 days.

The utilization of lignite entirely for power would represent a saving in freight rates on anthracite and bituminous coal and coke, of about twice the value of this imported fuel. It is estimated that in 1921, 120,087 tons of fuel was used, of which 90,882 tons was lignite, the remainder, 29,105, costing at mines, $186,135. The saving in freight rates on this coal would amount, however, to about $318,137.

Central-station power should be considered on account of high over-all economy; centralizing the operation of coal handling would be an advantage with this type of fuel. At the present time twelve operations are required in supplying coal to the private bin: (1) Coal is mined; (2) loaded on one or two-ton cars; (3) hauled to shaft; (4) hoisted; (5) tipped on to screens; (6) screened; (7) empty car shunted to position; (8) loaded into car; (9) full car shunted; (10) hauled to destination; (11) shunted to respective siding suitable to buyer and, (12) unloaded or hoisted to private bin. By the proper selection of coal land and equipment this could be reduced to three—stripping, loading and hauling to bunkers. Three operations for generating electricity from coal are considered; namely, the usual method of firing lignite directly, second, by means of suction power gas-producer systems, and third, by the corbonization of the fuel. The sale of byproducts in the last two cases is carefully analyzed.

With suction gas-producer system, as based on data from the United States Bureau of Mines, the actual cost per horsepower-hour would be 0.1c. net. This gives credit for byproducts at the rate of 0.064c. per h.p.-hr. By the method of carbonization and use of surplus gas also based on analysis of the Bureau of Mines, the cost per horse-power-hour would be 0.08c. In this case the byproduct per horse-power-hour is estimated at 1.05c. This includes the price of $3 per ton for selling char.

Plenty of Coal There

The lignite fields have a known deposit of 2,412,000,000 tons, and at the present rate of consumption it would be sufficient for 6,030 years. There is an estimated deposit of 57,000,000,000 tons which, at the present rate, would last for 142,500 years.

At the present time there is a total investment within a radius of ten miles of Estevan of about $2,000,000. This has been invested in the hope that Saskatchewan would make use of her resources of coal. Taxes are being paid and employment provided during the winter, giving a surplus of men for the farms during the summer, with the ability to supply, as average daily output, 3,750 tons of coal per day all the year around. The amount of coal available in six mines is 151,738,754 tons.

Much of this mining is known as "stripping." Coal can be picked up from the surface with a steam shovel, and with the aid of two men four tons are loaded per minute. It is also necessary to work seams, one of which has an average of 96 in. in height, allowing for floor and roof losses.

Oil and Gas Struck at Stoney Creek, N.B.

FREDERICTON, N. B.—An open flow of 1,500,000 cubic feet of gas every 24 hours has been struck in a new well at Stoney Creek, it has been announced at the office of the New Brunswick Gas and Oilfield, Ltd., at Moncton. The well is one of six which it was planned to drill this season at a cost of $120,000. Three others are already under way. In one the operators are working in an oil sand, and have struck a small flow of about 60,000 cubic feet open flow. The oil is reported to be of very high grade.

Current Events in Banking World

"GINGER GROUP" WOULD TRY NEW BANKING IDEAS

Evidently Hope to Make Political Capital of Situation

From Our Own Correspondent.

OTTAWA.—Instead of having a decennial revision of the Bank Act there will, for some time, according to present indications, be a continuous demand for it that may result in some changes during each session for a while. This is due to the energies of a group in the house to whom matters relating to banking and finance generally are of prime importance.

To some extent the appearance of the "ginger group" among the Progressives was due to the fact that as the main body of the Progressives do not take advanced enough ground on banking, the other fellows broke away. The Progressives generally favor measures, which, they say, will help break up the "banking monopoly," but for the most part they are not banking reformers, and do not pose as such. The subject is a little too deep for them, and being naturally canny, they are inclined to follow, rather than lead, in such matters.

Anything for a Change

But with the members of the "ginger group" it is different. They have been impressed greatly by the banking legislation in the United States during the last 10 or 15 years, and they have come to the conclusion that some of it, at least, might well be copied in Canada. It is useless to say to them that our banking system, being different from that of the United States, it is impossible to expect that American banking legislation generally would be suited to Canadian conditions. To this the reply is that in some important respects the Canadian system should be changed, and they are not loath to change it.

Then, again, some of the members of the "ginger group" have about come to the conclusion that the tariff is not the cure-all for economic ills that the farmers complain of. They will strive just as hard as any others for the removal of the protective principle from the tariff, but they say: "Even when you have done this, it is only a halfway measure." Looking over the world they see in some practically free trade countries that the condition of agriculture is anything but happy.

Want "Cheap" Money

Quite a number of these Western members, notably those in the "ginger group," have come to the conclusion that interest rates bear quite as heavily upon them, if not more so, than does the tariff. And they make quite a convincing argument. They point out that the farmer has to pay more for his money than the manufacturer or merchant, and they conclude that as the former only turns over his money once a year, that is insofar as his crop is concerned, he does not make nearly as high a percentage of profit as persons in other lines of business. Hence the conclusion is that the farmer must have cheaper money, and they intend to see that he gets it.

This group gathers strength from the heavy load of debt existing in the farming communities of the West. Wtihout any desire to be pessimistic, some of the best-informed Western members declare it a joke to think that Western agriculture, in a real sense, can come back on one or two good crops. They contend that the money is not in the farming business to permit of these huge back debts with accumulated interest being paid off. So they say: "This debt problem will have to be faced, and the sooner it is faced the better."

Want Federal Loans

To this may be ascribed the demand for a federal system of agricultural credits. This is coming as sure as fate, the only thing now keeping it back being lack of agreement on a suitable scheme. Just now everybody interested is waiting on Dr. Tory, the government's adviser in this matter, and it is generally expected that he will have a scheme ready for next session. If he has not, there will be a loud protest.

Some such scheme is coming, for practically all the big men are now committed to the principle of it. It is not a party question. If one party does not introduce it, another will. Next session there will be a determined attempt to put it over.

For a Central Reserve

The banking reformers in the house have had a fondness for the federal reserve system, such as exists in the United States. It is true that some of the sanest of them now see that one of the chief factors that brought it into existence in the United States—the lack of circulation, and the inadequacy of the rediscounting facilities—does not exist in this country. But they still think there is a great deal of work for an institution approximating to the central reserve bank to do in this country.

These members feel that there is a great deal of banking and financial machinery lying around that should be co-ordinated and brought under the direction of an official with a punch. They think that bank inspection, the central gold reserve, the printing and issuing of bank notes, and the functions of the treasury board, should be linked up in this way. These members also contend that our finances are not nearly as well handled as they should be; that the government has not the information through its own officials that it should have on these matters, and they think that the situation will not be improved until there is a thorough reorganization.

There is a smaller group that is avowedly out for a central bank, and they would also reserve the note issue to the government. They admit that it may be some time before this is brought about, but they say they are prepared to make the fight necessary for the educating of public opinion. They see in the acceptance of the principle of bank inspection a hopeful sign.

The members of the "ginger group," and those who stand with them, had quite a little fun during the session with the representatives of the Bankers' Association during the sittings of the banking and commerce committee. W. F. Maclean dubbed these lawyers "the scouts," the name implying that they were always on the watch for trouble, and would bring in the members if necessary. Quite often reference was made to the work of the "scouts," and it always aroused laughter.

Banking matters will receive a great deal more attention at the hands of parliament from now on, for there now exists a resolute group in the house that considers such matters of almost supreme importance. The members of this group are not much affected by the traditional methods of doing business. As a matter of fact, they would rather make precedents than not. Undoubtedly, this element will strongly influence the action of parliament, and the public and the financial community might just as well be prepared for some more banking changes in the not distant future.

Staff Gossip

During the past four years that the Bank of Toronto have established their branch here, Mr. and Mrs. Nichols have always taken an active part in all the local proceedings, and especially in the activities of the Methodist Church and Sunday school. The bank itself will be much missed by the people of this district, but no more than will the worthy manager and his wife. Mr. Nichols was the choir leader here as well as holding the position as Mentor of the Tuxis Square and taught the young men's class in the Sabbath School.—The Examiner, Peterborough.

* * *

A change in the personnel of the Union Station branch of the Bank of Toronto at Ottawa is announced. D. J. McGee, who was in charge of this office for the past few years, has been promoted and will be succeeded as manager by J. V. Stanley, formerly of the Union Bank of Canada. Mr. Stanley is well known in Ottawa and district, having been manager at Somerset Street for six years and prior to that being manager at Metcalfe, Chrysler and Alexander. Mr. Stanley was born at Stittsville and is well known in Carleton County.—The Canadian, Carleton Place.

* * *

The many friends in Listowel of Frank A. von Zuben, in fact the citizens generally, learned with deepest regret on Monday last that the Canadian Bank of Commerce had transferred him from the Listowel branch to their branch at Paris. Instructions were received at the bank for Mr. von Zuben to report at the Paris branch on July 31, where he has been promoted to the position of teller. As soon as the public received the news there was a general and insistent demand that immediate efforts be made to have the transfer cancelled. However, Mr. von Zuben felt that in his own interests it would be advisable to accept the promotion and he left on Wednesday afternoon for his new position.—The Standard, Listowel.

* * *

Mr. Bruce Screaton left to-day for Niagara Falls where he has been moved by the Imperial Bank and in a few weeks will go to London as the family have taken up their residence there. In athletics Bruce has always taken a very active part and this year was a member of the junior football team. He also played hockey in the Town League with the Factories. His many friends regret his departure from Listowel but wish him continued success in his new home.—The Standard, Listowel.

* * *

Los Angeles papers report the death by drowning of Albert E. Inch, well known in banking circles in Moose Jaw, where he occupied the position of receiving teller at the branch of the Royal Bank on High Street West.

The deceased teller left the city for California in June, 1922, entering the service of the Bank of California in the city of Los Angeles. The late Mr. Inch was holidaying in the Lake Arrowhead district when he met with his death. It is understood that he recently resigned his position in the Bank of California, it being his intention to take up a fresh appointment with the Pacific South-west Banking Corporation at the termination of his holidays. — The Times, Moose Jaw.

Investment Value of Australasian Bank-stock

The first record of its kind dealing with the shares of the Australasian banks as an investment has just appeared in booklet form under the title of "Australasian Banks and their Shares as Investments." The booklet sets forth the reasons for the stability of bank stock, placing emphasis on the safety feature provided by the large reserves held. The standing of the various banks is then analyzed and the names of the directors and officials given. In each case a table shows the profits, dividends, and reserves, of the banks over a period of years, so that one is able to get an accurate idea of the investment value of these shares. At the end is an interesting abstract from the various statements, giving such items as the ratio of cash to liabilities, the last net profit, the paid-up value of the shares, the rate of dividend, and the return.

CAUTION ADVISED IN RE-ADOPTION OF GOLD BASIS

British Bank Questions Value of Radical Measures of Deflation

A valuable contribution to the question of the resumption of the gold standard appears in the midsummer Monthly Review of the Midland Bank, Limited. While the discussion deals with the problem as it affects Great Britain, it is of interest to Canada as well, particularly in view of the stand taken by one of our leading banks in regard to the immediate resumption of gold payments.

The writer of the article referred to first deals with the reasons why the pound has recently lost ground with relation to the dollar. It is pointed out that a year ago prices in the United States were several points higher than at the present time, while the British level has risen during the same period. British prices are now more than 60 per cent. above the 1913 level, while those in the States are probably not more than 50 per cent. higher, and this is given as the explanation for the greater part of the depreciation of sterling in relation to dollars.

The article then deals with the common view that the supposedly large volume of lending to the Dominions and to foreign countries has aided in the depreciation. An analysis of the figures for new capital issues shows the volume sent abroad during the first half of 1924 to be less than during either of the two preceding years, and considerably below the normal pre-war volume of lending. It is shown, moreover, that over-lending is virtually an impossibility. It is the opinion of the writer, therefore, that the only road to a restoration of gold parity is that which involves a reduction in the general price level of Great Britain in relation to that of the United States. The conclusions are summed up thus:

It is claimed that a certain prestige would result from a restoration of the gold convertibility of the pound sterling, but such a reward would be poor compensation for the trouble undergone in its achievement. Another plausible, but invalid reason for undertaking the task is the supposed security which would be afforded to sterling as against the dollar and the reintroduced German gold mark. The Dawes Report, however, does not appear to advocate as an immediate measure a gold standard for Germany, but a gold exchange standard, that is an unconvertible currency maintained by limitation of issue at parity with the dollar. It is highly doubtful whether such a standard could obtain any wide degree of currency as a medium of international payments, but it is most likely that London, with its markedly superior financial services of all kinds, would still be resorted to by those seeking facilities not available in their own country. London, in other words, is unlikely to suffer at all seriously by the inauguration of a currency in Germany closely related to the American dollar.

It is said that with the rapid restoration of the gold standard this country would enjoy the benefits of a gradually rising price level such as characterized the few years immediately preceding the war, with their attendant prosperity. That may be so, but it is difficult to see wherein lies the special virtue of rising prices based on gold which is not inherent in gradually rising prices based on anything else. Before the war gold and Bank of England loans were the basis of the credit structure. Our supply of gold is now incapable of expansion, but Bank of England loans may still be extended to create a larger volume of bank cash. If a larger volume of credit be called for by expanding trade it cannot be regarded as monetary inflation, any more than credit expansion based on an inflow of gold. If that is all a rapid return to the gold standard can vouchsafe to Great Britain, it is doubtful whether the same results cannot be achieved under our present system. Finally, therefore, it would appear that the expedient course for this country is not to take panicky measures to press a rapid return to the gold standard, but, while sedulously avoiding anything savouring of monetary inflation, to await a more general progress, less obviously attended by the evils of deflation.

Exchange

The feature of the week in the exchange markets was the decided upward movement on the part of sterling and the continentals and the subsequent erratic fluctuations for which there was no apparent reason. Sterling and Swiss francs reached new high marks for the year on the 5th, on the culmination of a heavy buying movement. Other continental currencies moved in sympathy. The strength of the pound was attributed to the favorable reports of developments at the London Conference and also to a continuation of the transfer of funds from New York to London, owing to the prevalence of low rates in the United States.

The Canadian dollar is moving slowly toward par and heavy trading might wipe out the discount at any time, especially when the financing of grain shipments begins.

NEW YORK FUNDS

	High	Low	Last year High	Last year Low
July 31 ...	9-32	1-4	2 1-4	2 7-32
Aug. 1	5-16	1-4	2 1-2	2 3-8
Aug. 2	9-32	1-8	2 7-16	2 11-32
Aug. 4	..	..	2 15-32	2 3-8
Aug. 5	1-8	3-16	5-16	5-16
Aug. 6	9-32	7-32	..	..

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
July 31 ...	4.40	5.04½	4.33¼
Aug. 1	4.41⅛	4.13½	4.33
Aug. 2	4.43⅝	5.27½	4.36½
Aug. 4	4.45¼	5.39½	4.39¼
Aug. 5	4.45½	5.41	4.40
Aug. 6	4.45⅞	5.49	4.41

Weekly Bank Clearings

(In comparison with same week last year).

Eastern Cities

	Aug. 2, 1923	July 31, 1924
Toronto	$105,576,290	$ 89,240,772
Montreal	95,036,676	89,475,778
Hamilton	6,338,592	4,171,673
Quebec	6,308,071	5,867,084
Ottawa	5,255,190	5,140,198
Windsor	3,585,288	4,171,985
Halifax	2,979,746	2,555,436
London	3,488,758	2,079,794
St. John	2,409,238	2,505,642
Kitchener	930,842	698,439
Brantford	929,528	807,262
Sherbrooke	768,166	609,765
Moncton	485,366	691,582
Kingston	562,678	586,938
	$234,644,429	$208,612,348

Western Cities

	Aug. 2, 1923	July 31, 1924
Winnipeg	$39,152,106	$55,177,057
Vancouver	13,655,338	14,661,775
Calgary	4,119,776	4,331,273
Edmonton	3,490,811	3,410,034
Regina	3,168,021	2,340,817
Saskatoon	1,703,025	1,601,103
Moose Jaw	1,064,746	816,515
Fort William	881,608	702,955
Brandon	575,721	408,139
N. Westminster	520,372	546,425
Lethbridge	485,552	434,653
Prince Albert	299,760	232,343
Medicine Hat	247,559	213,666
	$69,364,395	$84,874,795

Monthly Bank Clearings

(In comparison with same month last year)

Eastern Cities

	July, 1923	July, 1924
Montreal	$ 449,393,518	$ 445,914,022
Toronto	415,990,043	431,836,483
Hamilton	27,902,807	24,087,820
Quebec	27,855,717	29,094,701
Ottawa	27,729,368	27,029,850
Windsor	15,826,630	17,073,123
Halifax	14,079,388	13,567,481
London	13,295,834	12,113,419
St. John	11,987,475	12,115,388
Brantford	4,781,625	4,566,231
Moncton	4,012,492	3,823,709
Sherbrooke	3,809,692	3,899,614
Peterboro'	3,271,652	....
Kitchener	4,432,214	4,138,844
Kingston	3,138,974	3,707,065
	$1,027,507,373	$1,032,967,950

Western Cities

	July, 1923	July, 1924
Winnipeg	$156,337,723	$254,651,660
Vancouver	65,512,426	74,739,270
Edmonton	18,448,485	18,832,383
Regina	13,803,514	13,525,218
Victoria	9,090,877	20,176,874
Saskatoon	6,206,147	6,826,336
Moose Jaw	5,770,423	4,513,103
Fort William	3,958,089	3,967,644
Brandon	2,647,408	2,384,569
N. Westminster	2,595,458	2,760,407
Prince Albert	1,300,203	1,337,864
Medicine Hat	1,253,601	1,392,944
	$286,924,354	$405,108,272

BAY BONDHOLDERS NOT TO GET NEW SECURITIES NOW

(Continued from page 1)

Lawrence, and acquired control of its common stock.

Deal Fell Through

The Becker failure made it impossible to carry to completion the plan to clear the Chandler mill of its first mortgage bonds, which would enable it then to give Bay free title to all of its properties, with only the one first mortgage issue of its own outstanding.

The Bay went into liquidation, and in all the negotiations to put the Bay bonds on their feet again the problem of the bonds of St. Lawrence has had to be faced.

Under the arrangement arrived at, it is understood that only the Port Alfred mill has been transferred to the Port Alfred company. Bay Sulphite as a company in liquidation still retains its ownership of the St. Lawrence stock property, subject to the outstanding bonds.

Clear Situation in Time

This is a complicated arrangement for the bondholders to deal with, and it is quite likely that it will be cleared up in time. Several steps might be taken. Port Alfred Pulp and Paper Company might raise the money to get rid of the mortgage on the St. Lawrence mill, or might buy the bonds in the open market. Bay Sulphite could then be wound up and bonds of the Port Alfred company issued to replace the Bay issue. There are other solutions, but no decision as to the future course has been arrived at.

Port Alfred Pulp and Paper Corporation has already sold $1,500,000 of debentures privately to give it essential working capital.

There is a likelihood of important future extensions, with a newsprint mill in time.

The company's mills have never ceased operations, and these have been conducted on a profitable basis. At the present time it is stated by interests closely in touch with the company's affairs, after adding the fixed charges of bond interest, the company is producing sulphite pulp cheaper than any other company in Eastern Canada.

No good judge of Cigarettes smokes Melachrinos without liking them—for their quality instantly wins appreciation.

ORIGINAL Melachrino CIGARETTES

The One Cigarette Sold the World Over

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Build, For Permanence

Standardized structural steel is a known quantity as regards resisting power. There is not the slightest doubt as to strength and stability.

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MacKINNON Steel COMPANY LIMITED

Steel Plate & Structural Work, SHERBROOKE, QUE.

NEW DRYDOCK FOR KINGSTON

KINGSTON.—Plans are under way here, according to report, for the building of a new dry dock with four times the capacity of the present dry dock, and to cost approximately $4,000,000, the dock to be completed and ready for operation by the time the enlarged Welland canal is opened.

NEW ISSUE

$1,000,000

The King Edward Hotel Company, Limited

TORONTO, CANADA

CONTROLLED AND OPERATED UNDER DIRECTION UNITED HOTELS COMPANY OF AMERICA

First Refunding Sinking Fund Mortgage 7% Gold Bonds, Series "A"

National Trust Company, Limited, Toronto, Canada, *Trustee*

Dated March 1, 1924. Due March 1, 1944.

Interest payable semi-annually at Royal Bank of Canada, Toronto and Montreal, Canada, and at Agency of Royal Bank of Canada, New York City. Principal and interest payable in United States gold coin. Coupon bonds in denominations of $1,000, $500 and $100, registerable as to principal. Callable in whole or in part on any interest date upon 30 days' notice on or after March 1, 1929, at 105 and interest. Interest payable without deduction for any Canadian taxes and U. S. Federal Income Tax up to 2% per annum. The Company agrees to reimburse the holders of these bonds within sixty days after payment, for the Pennsylvania 4-mills and Maryland 4½-mills, personal property tax, Connecticut personal property tax up to 4-mills, and for the Massachusetts Income Tax on the interest not exceeding 6% of such interest per annum.

Mr. Frank A. Dudley, President of United Hotels' Company of America, and of The King Edward Hotel Company, Limited, summarizes for us his accompanying letter as follows:

The King Edward Hotel occupies the entire block in the center of the financial and business district of the City of Toronto. The hotel is the only first-class fireproof commercial hotel in the City of Toronto, and contains 861 guest rooms, together with numerous ground floor stores and offices.

Toronto, the second city in size in Canada, is the metropolis of the Province of Ontario, and has a population of over 634,000. The city is reached by all of the Canadian transcontinental railroads as well as by several of the American trunk lines. It is the most important manufacturing city in the Dominion of Canada.

MANAGEMENT

The King Edward Hotel is controlled and operated under the direction of United Hotels Company of America. The parent Company directs the operation of 17 hotels in the United States and Canada, including The Ten Eyck, Albany; The Seneca, Rochester; The Onondaga, Syracuse; The Penn Harris, Harrisburg; The Robert Treat, Newark; The Mount Royal, Montreal.

SECURITY

These bonds will be secured in the opinion of counsel by a direct lien upon the entire fixed assets owned by the King Edward Hotel Company, Limited, subject only to a mortgage of $2,500,000 held by the Metropolitan Life Insurance Company, of New York City. The total authorized issue of the refunding sinking fund mortgage 7% gold bonds is $3,500,000. The remaining $2,500,000 of this issue are reserved for the purpose of and can be issued only for refunding the $2,500,000 mortgage held by the Metropolitan Life Insurance Company, and when so refunded such mortgage will be satisfied and discharged, leaving the lien securing these bonds as the first lien upon the lands, hotel building and furniture. The land and buildings have been appraised for the Metropolitan Life Insurance Company at approximately $7,000,000. This issue of bonds is also secured by a first lien on the hotel's furniture which is valued at over $1,000,000.

EARNINGS

In the past three calendar years the net operating profits applicable to interest of King Edward Hotel Company, Limited, have averaged $466,450. In 1923 the net operating profits applicable to interest were $542,471. The net operating profits for the past three years, after providing for interest on the mortgage held by the Metropolitan Life Insurance Company, averaged over 4 times the interest requirements on the Series "A" refunding bonds, and in 1923 were nearly 5 times interest requirements on this series. Net operating profits in 1923 were over twice the total interest charges on the mortgage held by Metropolitan Life Insurance Company and this series of refunding bonds. The 1923 earnings reflect only in part the increase in earnings estimated as a result of the construction of the new addition with 500 rooms, which was not completed until the middle of 1922.

EQUITY

This bond issue is followed by $2,500,000 issued and outstanding Debenture "A" shares and $850,000 Debenture "B" shares, and $1,000,000 common stock.

The appraised value of the property is $8,000,000, including furniture, which, after deducting $2,500,000 for the mortgage held by Metropolitan Life Insurance Company, leaves an equity of $5,500,000 applicable to this issue of $1,000,000 refunding bonds.

SINKING FUND

On March 1, 1929, and in each year thereafter, there will be an annual Sinking Fund of 2% on this issue of Series "A" bonds.

Price 99 and Accrued Interest to yield over 7%

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Investment Bankers
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The foregoing information while not guaranteed is secured from sources which we believe to be reliable

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Member Audit Bureau of Circulations

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, AUGUST 8, 1924

THE NEWER "PUBLIC SERVICE"

A LETTERHEAD received by THE FINANCIAL POST has the name: "The American Fund for Public Service." The board of directors of this "American" fund includes such names as Golden, Magnes, Wolman, Kirchwey, Ernst and Nelles. That gives some idea of its degree of Americanism.

There are two other directors whom Canadians know very well. One is Scott Nearing, who has lectured at Toronto University with the silent consent of University authorities. Another is William Z. Foster, chief of the Red Radicals in the United States, who helped to foment strikes in the Maritimes. Their brand of "public service" is not needed in Canada.

EQUALITY ACHIEVED

AFTER making a study of the Russian budget for 1923-24, L. M. Miller, Statistician of the National Bank of Commerce of New York and a close student of the Russian situation makes the following comment on the Russian outlook:

"The true condition of Russia is perhaps unconsciously summarized in an analysis of the budget of 1923-24, in the Russian Review. It is there estimated that in 1922-23 the Russian national income amounted to about 50 per cent. of the pre-war national income, or 50 gold rubles per head, compared with 101 gold rubles prior to 1914. If the peasants and workmen of Russia have gained anything at all as a result of the revolution, their gains must be purely psychologic. Although the land is nationalized, the peasants are in actual possession of it and theoretically the workmen enjoy a large measure of control of Russia's ineffective industries. Both peasants and workmen may find an added measure of content in general poverty and consequent absence of contrasts."

In this one sense the Soviet revolution has been an eminent success. It has achieved the great ideal of the radical and the revolutionary—EQUALITY. Land and industry have been nationalized, and the peasants and the workmen are now in complete possession of all this. What matters it that the wheels of industry are clogged with rust, or that thousands are falling prey to starvation every month, or that the revenue of the country has been cut in two? After all, the firing squads of the Soviet machine have thinned the once happy and industrious population so that less revenue is needed, and the peasant and the workman—all penniless alike—have achieved equality. There is no longer the hated aristocrat, except, of course, the very leaders of the revolution themselves. With the exception of these, all are equal.

TALK IS NOT REALLY CHEAP

PARLIAMENT has become a very talkative body. The average member of the Commons does not believe that so far as he is concerned—actions speak louder than words. In practice he proceeds more on this rule—you can't speak too long or too often.

It is difficult to say just how many words were spoken in parliament during last session, but those who have attempted to figure it out have about come to the conclusion that a word was said for almost every man, woman and child in the country.

Here is how this is arrived at. The House of Commons Hansard for the session has 5,050 pages. Set solid it contains about 960 words to a page, which means about 4,850,000 words. Of course, all the pages are not solid, but on the other hand, some of the type is very small. So it about evens up. On the same basis of estimating the members of the senate uttered about 960,000 words.

But these figures, which account for 4,850,000 words, make no allowance for the words spoken in committees. As some of these are in session sometimes for between two and three months, it is easy to see how the volume of words in these mounts up. Both houses have their committees, and their number is increasing.

Senator McCoig has suggested that radio be substituted for Hansard. The proposal will not be popular among the members, for among other things it would do away with that veritable mine of information in the form of old speeches contained in Hansard, which are a never-failing inspiration, especially to those who are not prolific in ideas.

Talk is said to be cheap—but it costs money at Ottawa.

LABOR IS LEARNING

IT WILL be remembered that one of the ambitious schemes of the British Labor government was to solve the housing problem. It was proposed to build 200,000 homes and "bust" the building rings and combines. This sounded very fine, but the economic effect of such a government program was that prices for materials rushed up while workers decided to cut the day's production in two. An English student of public affairs tells of the developments:

"Labor included in its 'definite, well thought out, and comprehensive plan,' founded, we are assured, on 'well defined and strongly held principles,' the immediate provision of adequate accommodation for the workers. In his speech opening his election campaign Mr. Ramsay MacDonald referred to the existence of 'rings and trusts,' and declared his intention to smash all such rather than that they should be allowed to hold up his plans. Mr. Wheatley, the health minister, spoke confidently of 200,000 houses to be provided the first year. At once and quite naturally the prices of all building materials leaped upwards—bricks, for example, rising at one bound from 65 shillings per 1,000 to 72 shillings and 6 pence, and they are still rising."

"Possessed of that simple faith which is said to be 'more than Norman blood,' the health minister next met representatives of 'makers and producers of building materials' in conference, when the 'manufacturers assured the minister that the government would have the whole hearted co-operation of the materials manufacturers of the country and that there would be no attempt to advance prices as the result of the housing scheme.'"

"And, of course, the conference was followed by rising prices, as all such conferences are, and the more conferences usually the higher wages go and the lower becomes the efficiency of labor in any conference ridden industry.

"Small wonder it is that the minister is now talking less confdently of the 90,000 houses for which he 'hopes to pass the plans.' The passing of plans is not the same thing as building the houses, however, so we are not seeking an estimate from the furniture removers yet awhile."

The FINANCIAL POST has constantly condemned rings and combines as harmful to sound business, but the law of supply and demand will always operate in government as in private business. There are certain branches of human activity that can best be operated under government control undoubtedly, but it is absurd to suppose, as many do, that the magic of government can over-ride economic laws, and that we should aim towards government operation of all branches of industry.

EDITORIAL NOTES

INSURANCE discrimination against Canadian Atlantic ports by Lloyd's has come to an end. That is one more battle for Canada's rights the Hon. P. C. Larkin has helped materially to win during his term as High Commissioner, says the Toronto Globe.

* * *

BOLSHEVISM teaches that labor is entitled to the profits of industry and that capital earns nothing. And yet, to-day, the Russian Soviet government, having destroyed capital at home, is striving to borrow abroad while a plentiful supply of labor does not seem to have much effect in creating prosperity.

* * *

"THE Vancouver Sun" is calling for a conference of the four Western provinces to lay down a definite Western program. We doubt if even the foou Western provinces could agree on a joint economic policy. It is when the many varied interests of our people are considered that we realize what a big country Canada is.

* * *

FORTUNATELY for both the farmer and the townsman, the movement in Manitoba away from the one crop system and the gamble which it must always be, is steadily growing. As it grows, the Manitoba Free Press points out, there will be less left to chance and more of the results of agricultural effort will be under the control of the worker and can be influenced to a greater extent by the brains he puts into his work—by his thought and careful calculation.

* * *

FARMERS near Peterboro who have been using Hydro power for some years may discontinue because of an advance in prices. Electricity is a great boon; it should be made available as widely as possible. Special concessions in the way of rates may be warranted with provincial assistance on the ground that the waterpowers of the province belong to all the people; rentals from developments should be paid into the provincial treasury. But even so, it may not be possible to carry electricity to every farmer in Ontario any more than it is possible to supply every farmer in the West with the railway service he desires. Business principles set certain limits which must be observed in rendering public services to individuals.

Sold Only the Securities Would Have Bought for Self

That Was the Advice Which Was Given to Late Sir Edmund Osler as a Young Man, and He Followed It—Last of Four Brothers Whose Names Stand High Among Canadians Who Have Led in Public Service

Perhaps no name in Canada stands higher for public service than that of Osler. And now the last of four illustrous brothers, Sir Edmund, has passed on. As the president of the Dominion Bank, as a director of the Canadian Pacific Railway, as head of the investment house of Osler and Hammond and as a member of the boards of a long list of prominent financial corporations and public institutions Sir Edmund Osler was known not only across Canada, but throughout the financial world. He was the fourth son of the late Rev. F. L. Osler and Mrs. Osler, and was born at the Tecumseh Parsonage, Simcoe County, on Nov. 25, 1845. The late Sir Wililam Osler. world-famous physician and lecturer; the Hon. Featherston Osler, for many years a judge of the Ontario Court of Appeal, and B. B. Osler, Q. C., a famous criminal lawyer, were brothers, and as they rose to high places in their professions, Sir Edmund became a leader in the realm of banking and finance.

The Late Sir Edmund Osler

Reputation for Integrity

Among his associates Sir Edmund was known for an exceptional judgment in financial matters. His reputation, particularly in his dealings with the investing public, was for sound integrity. His associate on the Dominion Bank board, A. W. Austin, recalls interestingly how his father, the first president of the bank, was wont to recount that when Sir Edmund was about to go on his first trip to the Old Country to dispose of bonds he came and asked for advice. Mr. Austin, Sr., answered: "The best advice I can give you is, never offer to the public any bonds that you would not be willing to purchase for yourself, if you had the money." Sir Edmund's associates will tell you that he carried out this advice.

Sir Edmund's financial career and that of the Dominion Bank have been interwoven for many years. After leaving school he was for several years employed as a junior in the Bank of Upper Canada and after he personally performed the task of tacking up the "closed" sign on the front door of that institution, he entered into a brokerage partnership with the late Henry Pellatt, father of Sir Henry Pellatt. This partnership continued for fifteen years until, in 1882 the present firm of Osler and Hammond was formed.

Sold Original Shares

It was the brokerage firm of Pellatt and Osler to which the provisional committee, appointed in April, 1869, at a meeting held in the office of Ross Lauder and Mulock, to establish a new bank in the city of Toronto, the Dominion Bank, turned in securing the minimum subscription of $400,000 with $100,000 paid up, required by their special charter. In September, 1869, Pellatt and Osler undertook to secure the desired subscriptions, for a commision of $2,000 in cash and $2,000 in stock, if successful, and of nothing if the whole amount were not raised. We are told in "Fifty Years of Banking Service," being the history of the Dominion Bank, 1871 to 1921, that two months later, in order to expedite matters, it was decided to set a definite time limit, January 15, 1870, to this agreement, and it was also provided that Messrs. Pellatt and Osler might secure the assistance of other brokers, receiving, if successful, an extra one half of one per cent. on such subscriptions.

In the endeavor to list a substantiol capital interest, negotiations were carried on for a time with the chief stockholders in the Royal Canadian Bank, with a view to its absorption. The Royal Canadian had begun its chequered career in 1865. Its founders were too eager to build fast to build soundly. In the first year fifteen branches had been established, or more than any but two of the older banks had built up in their whole career. A policy of unconsidered expansion and indiscriminate lending had soon set rumor going; the directors began quarrelling first in private and later in public, and, in spite of aid from other banks and the deposit of provincial funds by John Stanfield Macdonald's government, the bank was forced to close its doors in May, 1869. Efforts were made to prevent final liquidation and the bank maintained a flickering existence until 1876.

Early Dominion Bank History

Only four men are recorded in the minute book as having been present at the meeting of April, 1869, at the office of Ross, Lauder and Mulock—John Worthington, James Crowther, James Holden and William Mulock,—but the names of all who were most active at this stage and who were made provisional directors are given in the preamble including: John Crawford, M.P., the Hon. J. C. Aikens, Walter Sutherland Lee, Joseph Gould, Hon. John Ross, and Aaron Ross.

Following the closing of the final chapter of the career of the Royal Canadian bank a new group of Toronto capitalists came upon the scene. Consideration of the proposed amalgamation had delayed the sale of the Dominion bank stock. A minute of Nov. 18, 1870, records a motion, "That Messrs. James Austin, Frank Smith, Peleg Howland, Samuel Nordheimer and J. H. Mead shall be and are hereby declared associated with the provisional directors of the Dominion Bank." Mr. Austin became the president with Hon. John Ross vice-president. The first general meeting of the shareholders was held January 10, 1871, and E. B. Osler was among the subscribers present.

Sons of the Rectory

In several other places in the history of the Dominion Bank the name of Mr. Osler appears. In 1901 on the death of Sir Frank Smith he was made president. "Fortunately," says the record, "the bank was able to secure as its new president another outstanding figure in Canadian finance. Edmund Boyd Osler, a son of the rectory, had begun his business career as a clerk in the old Bank of Upper Canada. . . . He had taken an active part in promoting railway development in Ontario, and had been a member of the group of men who had carried the Canadian Pacific Railway through to success. His wide financial interests and his many public-spirited activities had made him one of Canada's foremost citizens and had fitted him pre-eminently to maintain the traditions established by Mr. Austin and Sir Frank Smith."

It is also mentioned that in June, 1897, an office was opened in Winnipeg under the management of F. L. Paton and in February, 1898, a branch in Montreal, with C. A. Bogert as manager. The men chosen for these strategic posts, like the new president, were both sons of the rectory.

Another reference is to the distribution by President Osler in 1918 at the annual meeting of the bank ,of copies of a reprint of Poor Richard's Almanac. The idea was to stem the tide of extravagance sweeping over the country and it is added that "judging from results, quite a few Canadians did not receive copies."

A Railroad Builder

A pioneer in railway construction in Ontario, Sir Edmund was instrumental in promoting the Ontario railways begun by the late George Laidlaw. He was also interested in the construction of the Ontario & Quebec Railway. For a number of years, and at the time of his death, he served on the directorate of the Canadian Pacific Railway—a line that, within his lifetime, had grown from the smallest beginnings to its present proud position among the great transportation systems of the world.

Few Canadians have applied their executive ability over a wider field of industry and finance. At one time he was lending the weight of his influence to no fewer than fourteen corporations. He was president of the Canadian Northwest Land Company, the Dominion Bank, the Niagara Navigation Company, the Toronto Ferry Company; vice-president the War Eagle Mining and Development Company, director the Canadian Pacific Railway, the Confederation Life Association, the Consumers' Gas Company of Toronto, the Ontario and Qu'Appelle Land Company, the Toronto General Trusts Corporation, the St. Lawrence and Chicago Steam Navigation Company, the Victoria Rolling Stock and Realty Company, agent the North Scotland Canadian Mortgage Company, and senior partner of the firm of Osler & Hammond of Toronto, and Osler, Hammond & Nanton of Winnipeg.

At the time of his death he was president of the Canada Noorthwest Land Company, the Victory Loan. Stock and Realty Company, the Toronto Ferry Company, and the Dominion Bank; also a director of the Canadian Pacific Railway, Toronto General Trusts Corporation, Consolidated Mining and Smelting Company, Calgary and Edmonton Land Company, the Imperial Oil, Limited, the International Petroleum Company, Limited, and the Commercial Cable Company. He was a trustee of the Mackay Companies, and on the Advisory Board in Canada of the North of Scotland Canadian Mortgage Company. By reason of failing health he had recently retired from the directorate of the Confederation Life Association, the Consumers' Gas Company, and the Steel Company of Canada.

His Public Career

That he was defeated for the mayoralty in Toronto in 1892 did not discourage Sir Edmund from entering public life. He went to the Commons for West Toronto in 1896 and for twenty-one years sat for that constituency. His knighthood came with the New Year's honors in 1912.

His public service was over a broad field of activity. "He will be long remembered, for he leaves the monument of a kindly useful life," are the words of his associate on the Dominion Bank and other boards, A. W. Austin, who mourns "the passing of a distinguished citizen, whose grand and good work entitles him to imperishable gratitude." As a philanthropist many deserving charities were the recipients of his donations.

Sir Edmund was also a promoter of education, and for a time acted as Chairman of the Endowment Committee of Trinity University and was a member of the governing body of the University of Toronto. At his death he was a Trustee of Wellesley Hospital, and for many years was a valued member of the Board of the Hospital for Sick Children. In 1906 he was appointed Honorary President of the Western Hospital.

Sir Edmund was a past president of the Toronto Board of Trade and as its representative at the Congress of Chambers of Empire at London, he proposed a resolution favoring the "freest exchange of commodities within the Empire consistent with the tariff requirements incident to the maintenance of the local government of each part of the Empire." He took a keen interest in art, being one of the originators of the Royal Ontario Museum, Bloor Street. He was also a life member of the Ontario Rifle Association and always took a large interest in the work of that organization, having been president for twenty-one years, and a liberal donator to the prize list.

Duke and Price See a Vision of an Industrialized Saguenay

Interesting Parallel in the Aims and Ideals of Two Partners in Northern Quebec's Gigantic Power Producing Enterprise—Duke Was Once the Tobacco King of the World

By FLOYD S. CHALMERS

Two interesting builders of business, two men of real creative force, came together when James B. Duke and Sir William Price joined to develop power in Northern Quebec, The very successful piece of financing accomplished the other, when they sold $12,000,000 of bonds of their enterprise. was their bow to the general public. But back of the incidental issue of bonds is a story of ten years of study and investigation, and the investment of much of their own money in the gamble of turning an idea into a business proposition. And back of the ten years of primary effor are two lives that have not been without their definite aims.

Sir William Price, the Canadian of the team, is a man who has had a single purpose in life, to erect a strong industrial structure in the valley of the Saguenay River. He is not widely known in Canada: even in his home city of Quebec, Sir William Price is something of a mystery to many of the citizens. He seems to be among them but not of them. That is because his feelings and his ambitions are centred farther away in the primal depths of forests of spruce and poplar.

The First Price in Canada

Sir William was not the founder of the Price business interests. It was one of his ancestors who came out from England to buy timber for British boats who stayed to found the Price lumbering industries over a hundred years ago. Sir William was born into the business. But he had no ready-made business handed to him. The Price Brothers and Company of to-day is a vastly larger and more smoothly-working mechanism than it was when Sir William took it over. Sir William confesses that on two occasions the whole business has been on the edge of disaster, ready to topple over. But he has pulled it back to safety, and now it ranks among the strongest of the companies. Its timber holdings are the largest of any of the pulp and paper companies. They would make a strip of forest land two and a half miles wide and stretching in a straight line from Halifax to Vancouver. The company is in the midst of a program of expansion that will make it the largest newsprint producer in Canada. At the same time, it is one of the largest lumber producers in Canada. This concern Sir William Price has built up from the comparatively small enterprises of his ancestors.

The Aim of Sir William

His aim has been to build the nucleus of the future industrial development of the Saguenay country, and the area around Lake St. John. His mills are but the start. The big power development which he and Mr. Duke have brought into being will be a magnet to draw further prosperity to the territory where the first of the Prices made his home when he came to Canada.

James B. Duke has been an industrial magnate with quite as definite an aim. He was born into a tobacco manufacturing family, but born under the most humble circumstances. And taking up the family business he set out to build up the tobacco industry just as Price set out to build up the Saguenay country. He succeeded in making the tobacco industry, that began in the family log cabin, grow into a business so large it was called the tobacco trust. This was the American Tobacco Company that has had a yearly business that ran into nine figures. It did eighty per cent. of the tobacco business of the United States.

Starts Developing the South

Then came the most amazing of Duke's important steps. He practically dropped out of the tobacco business. He was the tobacco king of the world; he had reached the peak of the tobacco ladder; there was practically nothing more he could do in or for the tobacco industry. He turned to his native soil, the southern states, and began to work out an ideal. He had watched the struggles of the south, saw it clinging to a decadent aristocracy, dismal educational methods and an eighteen-century industrial system. The south would not industrialize itself, fearing, perhaps, some underlying danger in the uplift of the negroes and poor whites that would result.

Duke saw differently. He got hold of power sites in the south and harnessed the rivers for their power. The cheap power attracted industries. In fact Duke built industries; he took the textile mills to the source of cotton, and, as a result of his work, the south passed New England in cotton output. The south got into an industrial and building boom. The south of to-day is the most prospering and rapidly developing section of the United States. Schools, factories, and fortunes are being built. Duke was the first to see the vision.

Duke sees in Northern Quebec something of the possibilities he foresaw for the south. Price, too, knows that the proper exploitation of Northern Quebec's richness will put thousands of people in country that is now practically uninhabited.

One is glad that the new company is called the Duke-Price Power Company. The title perpetuates the names of the men who have both the vision to see the work that is to be done and to do it.

CURRENT OPINION

GIVE THEM THE LASH
Victoria Times

While bandits were robbing the Robson Street branch of the Canadian Bank of Commerce yesterday morning the mayor of Vancouver was advocating the lash for certain types of criminals in an interview he was giving to the press.

Public Opinion in the Terminal City will not be slow to support the view of its chief magistrate. Since the middle of June there have been nearly a dozen hold-ups in Vancouver and prison sentences seem to have very little effect in discouraging this sort of crime.

Yesterday's attack on the bank manager was a particularly brutal affair. By a stroke of luck the blow which one of the bandits dealt to his head was not a fatal one. But it was not the fault of the aggressor. His idea was to bring Mr. Bonnallie into an immediate state of subjection in order that the robbery could be carried out. But there was no time to study a particular spot on the manager's most vulnerable point which could be pummelled and produce only a state of temporary stupor. The attack was obviously a murderous one and mere chance prevented a tragedy.

It is high time that violent attacks on the person should be rewarded with as many strokes of the lash as the body of the culprit can stand. He is a murderer by intent and the punishment should fit the crime. The element of surprise which he is able to introduce into his nefarious work, the speed with which he can make himself scarce, make capture extremely difficult; but if those who are brought to book were to be treated to a generous dole of physical pain, hold-ups would lose a good deal of their appeal for the criminally inclined.

Magistrates and judges will not fall foul of public sentiment if they let these brutes have all that is coming to them.

KEEPING MONEY FOR INDUSTRY
Ottawa Journal

The suggestion that the recent successful sale on Wall Street of Canadian National Railway four and four and a half per cent. securities sounds the death knell of five per cent. money in international financing is of more general interest than such transactions usually are. And for this reason. The high interest yield of Government securities made necessary during and following the war has withdrawn a very great deal of money from other classes of investment.

Industry, for instance, has had much difficulty in securing money for development or has had to pay through the nose for it. Factories have not been enlarged, new enterprises have had to be abandoned in consequence. And opportunities for employment have been missed. Again, to bring it nearer home, building as an investment—office structures, apartments, houses for rent—has not kept pace with demand.

Men with money to put out at interest, so long as gilt-edged Government securities at five per cent. or better could be obtained with no worry except the clipping of coupons, have fought shy of investments in which there was any element of risk or bother in collecting returns.

When the yield from Government securities gets back to normal—and the recent sale of C.N.R. certificates confirms other indications that we are on the road there—private enterprises will be freed of a handicap that has been far reaching.

TAKE A SHOT
(Hardware and Metal)

"A naturalist once divided an aquarium with a clear glass partition. He put a lusty bass in one section and minnows in the other.

"The bass struck every time a minnow approached the partition. After three days of fruitless lunging, which netted him only bruises, he ceased his efforts and subsisted on the food that was dropped.

"Then the naturalist removed the glass partition. The minnows swam all around the bass, but he did not strike at a single one. He had been thoroughly sold on the idea that business was bad.

"There's a real moral here and we need it—take another shot at the glass partition—maybe it isn't there any more."

PERSONAL

H. E. PAWSON, who has just been appointed general manager of the Ottawa-Montreal Power Co., was for some time in charge of the engineering department of Nesbitt, Thomson & Co. and prior to that was for three years manager of Sherbrooke's municipal light and power plant.

* * *

A. R. GRAUSTEIN, recently elected president of the International Paper Company, visited the plant of the Laurentide Company during the week in the company of George Chahoon, Jr., the president of the company. This is Mr. Graustein's first visit to Canada in his official capacity as the president of the International, and he is improving the opportunity to visit other mills than the one in which he has particular interest in Three Rivers.

OPPORTUNITIES IN ODD AMOUNT BONDS

In an active bond market, such as the present, there are excellent opportunities for picking up odd amount bonds of Canada's Provinces, Municipalities and Industries.

In our current odd amount list there are a number of very attractive odd amounts. Among these are bonds of the Provinces of Alberta, Manitoba, New Brunswick and Ontario; Cities of Calgary, Edmonton, Halifax, Hamilton, London, Montreal, Niagara Falls, Port Arthur, Toronto, St. Catharines, Sherbrooke, Sault Ste. Marie, etc., etc.

There are also a number of corporation bonds.

The yields vary from 5.15% to 7.20%.

Copy of Odd Amount List gladly sent on request.

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Investors' Inquiries

DOMINION COMBING MILLS

Reader, Kitchener. — Is Dominion Combing Mills, Trenton, sound financially? What do you think the prospects are for dividends?

Dominion Combing Mills is reported as enjoying good business, having operated steadily at full time since early in December last. Liquid assets were placed at around $400,000 in the statement issued, covering operations to December 31, 1923, with liabilities just under half the total, leaving the balance as working capital. You may have noticed in our issue of August 1 a report that the company was a heavy buyer of the prairie wool clip, and that inquiries already on hand indicated a busy fall.

Not long ago, Mr. Rea, head of the company, stated that it was not the intention of the company to pay dividends until they had built up a good strong cash position.

B. E. STEEL PREFERRED

G. N., Montreal.—Would like your opinion of British Empire Steel preferred.

Preferred stock of the British Empire Steel Corporation is a speculative investment, but one that provides reasonable opportunities for profit. If you purchase any of the preferred shares of British Empire Steel we would recommend the Dominion Steel preferred as the ones ranking in the strongest position.

The company is not in financial difficulties at the present time, and yet this does not mean that it is strong and prospering. The fact of the matter is that the company is a little short of working capital, an requires a good deal of money to put its plants in first-class shape. It has not a great deal of business ahead. and the purchaser of British Empire Steel shares must be prepared to wait some considerable time for a return on his investment.

RIORDON PREFERRED

J. L., Vancouver.—I note that an order for the sale of Riordon assets has been granted. I hold 15 shares of first cumulative preferred stock of this company, 8 per cent., and one share of common capital stock. Where does this stand in this liquidation? May say that I fully subscribed to recent re-organization proposals.

Preferred stock of Riordon probably has no value at all at the present time. The properties have been put up for sale, and while it is of course injudicious to forecast what price they may bring, there are indications that only the bondholders' interest will be protected. The chance of anything for the preferred stock is so small that those in touch with the situation regard the shares as worthless.

Those who subscribed to new stock or bonds in the recent reorganization plans will have their money returned if they have not already received it. This plan is entirely superceded by the present liquidation.

A WELL-BALANCED LIST

W. C., British Columbia.—I attach a list of certain investments which I had, and on which I would like your opinion.

Victory Bonds, 1937, $1,500; City of Nelson, 6 per cent., 1937, $3,000; Point Grey Municipality, 5 per cent., 1962, $1,000; Surrey Dyking Dist., 5 per cent., 1952, $2,000; Cons. Mining & Smelting Co., 7 per cent., $1,000; Western Canada Power, 5 per cent., 1949, $2,000; P. Burns & Co., 6½ per cent., 1943, $2,000; Preferred International Milling Co., $1,000; Belgo-Canadian Paper Co., $1,000; Canadian Pacific Railway, com., $9,500.

I have other investments of a more local character and in regard to which you would not be able to offer an opinion, and will be glad of your comment on the above list together with any suggestions which you might make, with reference to security, yield or prospects. I hope to have further funds to invest before long. Would you suggest increasing holdings of preferred stocks or perhaps common stocks, although I feel the present is perhaps not a good time to buy these last.

I would want immediate returns on capital in the way of interest or dividends. I have in mind retiring from very active participation in business in the near future and contemplate investing funds to provide income.

I am married, have a family of two, and carry $20,000 life insurance. My other investments, referred to above, would probably represent another twenty-five to thirty thousand dollars on a conservative valuation.

There are no definite points of weakness in the investment list which you have given. All of these securities are well protected and provide a well-balanced assortment of stocks and bonds which at the moment should give you no cause for worry.

When you retire from active participation in business it is likely that you will not want to assume the burden of looking after investments of a somewhat speculative nature, and you will probably want to continue to purchase only securities of a rather high grade. There are many good industrial preferred stocks that you could consider. In addition, there are common stocks of some of the older and better-established companies than rank in the investment class. It is never wise to consider a stock, because it is a preferred share, as better than another stock which may happen to be a common share. Such a common stock as Canadian Cottons, for instance, may be vastly superior in strength to the preferred shares or bonds of a land promotion project. So you need not shun common stocks simply because they are junior securities.

We have no suggestions to offer regarding your present list. If you continue to invest as you have done in the past you will not have any difficulty that could have been foreseen. Your list shows evidence of most of these securities having been sold to you rather than having been bought by yourself. We feel that it is advisable for the experienced investor, anyway, to go a little further than the offerings presented to him in order to see if securities of similar strength cannot be purchased occasionally on more favorable terms. In other words, at the same time that you are considering carefully new issues of securities you should be following the stock markets to observe the trend of seasoned and established stocks and bonds.

Russia Not Likely to be Early Wheat Competitor of Canada

Must Improve Methods of Grain Growing and Grain Handling to Compete With America and Australia, Says Statistical Expert of New York Bank—Soviet Brings Doubtful Benefits

By E. M. MILLER, Statistican, National Bank of Commerce in New York

Since 1917, the spectacular character of Russian events has won for Russian affairs a place of great prominence in current discussions of conditions in Europe. More recently, since a number of European nations have recognized the Soviet Union, emphasis has shifted away from Russian politics to business possibilities. The importance of Russian trade as a factor in the return of satisfactory economic conditions has been much stressed, and in those countries which were wont to trade with Russia before the war, high hopes have been built upon the reestablishment of commercial relations with that country.

Expectations apparently held in some quarters of development of a large trade with Russia appear to be based not on lack of knowledge of the situation there to-day, but on misconceptions as to the domestic conditions prevailing in Russia prior to the outbreak of the World War, and the international position of the country at that time. The measure of the international commercial importance of a country obviously is its foreign trade. In the three years immediately preceding 1914 the total average value of the foreign commerce of Russia, exclusive of Finland, was about $1,400,000,000. This was less than 4 per cent. of the total international trade of the seventy countries for which data are available in the Statistical Abstract of the United States. During the same period, the foreign commerce of the United Kingdom was nearly one-sixth of the total for the same group of countries, while the international trade of Germany and of the United States each constituted about one-tenth of the combined trade of the leading nations. Russian foreign commerce was less than nine-tenths that of Belgium, not much larger than that of British India, and one-third the value of that of the United States.

It is true that Russian conditions differed from those of the highly industrialized countries of Western Europe; but if comparisons are made with the leading agricultural countries of the world, the showing made by Russia is much worse. The prewar population of Russia-in-Europe, exclusive of Finland, was about 143 millions. That of the United States at the outbreak of the World War was about 100 millions. The per capita value of the total foreign trade of Russia at that time was $10, while that of the United States was $40. The average value of the total foreign trade of Canada, a country the products of which are much like those of Russia, but with a population of about 7½ millions, was almost three-fourths that of Russia, while the per capita value was nearly $130. Comparisons with Australia, New Zealand and Argentina are equally adverse to Russia.

Russia and Canada

Perhaps because before the war Russia was the foremost grain-exporting nation of the world the idea seems to be more or less entertained in the United States that it is a country of wide spaces and few inhabitants, like Canada, Australia and Argentina. While this is true of Siberia, nothing could be farther from the truth so far as concerns Russia-in-Europe. The population is dense in comparison with the other chief grain-exporting countries of the world, with the exception of British India and the countries of the Danube basin. In 1913, in Russia-in-Europe, exclusive of Finland, there was an average of nearly 72 persons per square mile. At that there were 32 persons to the square mile in Continental United States, between 7 and 8 in Argentina, 2 in Canada, and less than 2 in Australia. In British India and the Danube countries the population is much denser than that of Russia. However, Indian grain exports have declined rapidly in recent years and it is not certain that the Danube region will again assume its pre-war position as an exporter of grain.

European Russia is a country of poor peasants. From 1858 to 1913 its population, exclusive of Finland, increased from less than 70,000,000 to 143,000,000, and the population of Asiatic Russia from less than 10,000,000 to about 30,000,000. Eighty-five per cent. of the people of European Russian live on the land. A large proportion of the peasantry has long been at the margin of subsistence, famine having swept the country at intervals. That of 1921 was not exceptional in Russian history.

Agricultural Exports

At that time, Russia was second only to the United States as a grain-producing country. It was foremost as a producer and exporter of small grains. Siberian grain production was a relatively unimportant part of the total. Exports originating in Siberia were not large, and they were practically all handled through the ports of European Russia. From 1908 to 1912 the total Russian wheat crop averaged 735,000,000 bushels, of which 150,000,000 bushels were exported. During the same period the rye crop averaged 875,000,000 bushels, but the greater part of the crop was retained for food, exports averaging about 25,000,000 bushels. Exports of barley and corn were fairly large, but the oats crop was in the main retained and used as food for animals. Exports of butter and eggs were heavy and flax and beet sugar were important items in Russian foreign trade. In addition to exports of staples there were a number which were more or less in the nature of agricultural specialties, such as grass seed and sugar beet seed.

Next in importance to agricultural products were exports of timber and its manufactures. Exports of petroleum and its products were large. In addition, Russia was a heavy exporter of raw hides.

In comparison with these leading items in Russian foreign trade, most other classes of exports were relatively unimportant, but in a number of them Russia occupied an important position from the standpoint of international commerce. Thus Russian platinum mines produced about nine-tenths of the world supply. Russian manganese, like Russian platinum, was usually the controlling factor in the market.

Russian agriculture is predominantly peasant agriculture, carried on by means of a large expenditure of human labor, with limited use of labor-saving machinery. In European Russia, from which the major portion of exports comes, the land is not new, and there is almost a complete absence of the use of modern methods of soil regeneration, with consequent low yield per acre. In the period preceding the World War, the average yield of wheat per acre in Russia was estimated at 10 bushels, compared with 18 bushels in the United States and Canada, and 12 bushels in Australia. The Argentine yield was about the same as that of Russia, but the population to be fed is small.

The international position of pre-war Russia did not occupy a dominant position in the trade of any country, not even Germany. Obviously, even if overnight the commercial Russia of 1913 should by some necromancy be restored, the effect on those countries whose interest in Russian trade is greatest would not be very significant.

Present Situation

There is much disagreement about conditions prevailing in Russia today, but a considerable body of information is gradually becoming available which is generally accepted as correct. As a result of war and revolution Russia lost suzerainty over Finland, and of Russian territory proper, Russian Poland, the Baltic States of Lithuania, Latvia and Esthonia all passed out of the control of Soviet Russia. Bessarabia, one of the richest grain-growing areas of Europe, is yet in dispute. Between 250,000 and 300,000 square miles of territory, with a population of 25,000,000 to 30,000,000, were lost to Russia. The loss in territory is equivalent to the area of France, Belgium, Denmark and the Netherlands combined, and the loss in population is equivalent to about one-fourth of the total population of the United States.

When considered from the economic standpoint, the loss was much greater than when measured solely in terms of area and population. Every port on the Baltic except Petrograd, now known as Leningrad, has passed out of Russian control. With Poland were lost Ladz and Warsaw, two of the main industrial centres. Moscow and Kharkov are the only manufacturing cities of importance in post-war Russia. The iron and steel industry is carried on in South Russia, but there is no other important industrial development there.

In addition to the direct economic loss a severe cultural loss has been suffered. Russia has always stood midway between Europe and Asia. The population of the secession states included a proportion of the education and culture of Russia larger than is indicated by the net loss in the number of inhabitants. That part of Russia which faced toward Europe has ceased to be Russian.

Loss by secession was by no means the major loss suffered by Russia as a result of war and revolution. Even greater was the damage wrought upon the economic structure of the country. Physical plant was destroyed or allowed to fall into disrepair, while at the same time the entire organization upon which production, transportation, trade and finance rested was ruined. The climax of the troubles of Russia was reached with the famine of 1921, and the well-nigh complete stoppage of industry at that time. The loss of life by war, revolution, and famine, has been estimated to be as high as 10 per cent. of the total population but no reliable data are available. The official census of the Soviet Union reported a population in 1920 of 132,000,000, compared with an estimated total in 1914 for the same area of 136,000,000.

After making due allowance for the desire of the Soviet authorities to make in their official reports a favorable showing for Russia before the world, there is general agreement that conditions have improved materially since 1921. At the same time it is easy to exaggerate the improvement which has taken place.

Conditions differ widely among the different industries, but the consensus of opinion seems to be that the manufacturing and mineral industries of Russia considered as a whole are operating at about one-third of the pre-war rate. The development of the foreign trade of Russia will depend, however, not on the situation in industry, but upon production of raw materials, and, above all, upon agriculture, for unless Russia can export it cannot buy.

According to the United States Bureau of Foreign and Domestic Commerce, the total foreign trade of Russia in 1923, calculated at 1913 prices, was a little less than one-eighth of the total of exports and imports in the last-named year. On the same price basis, exports in 1923 amounted to 205,800,000 rubles, or about $100,000,000, and imports to 144,100,000 rubles, or about $70,000,000. Relief shipments are not included. Outwardly at least the trade balance was favorable. Trade definitely began to assume its pre-war character both as to nature of commodities and direction. According to Soviet figures, the value of timber exports amounted to about one-fourth of pre-war exports, and there is no reason to expect a rapid increase. Petroleum exports were at one-third of the pre-war rate, but are reported to be increasing.

The peasants have attained their age-long desire to possess the land, but despite great improvement in conditions since 1921, their plight is not enviable. The acreage planted to crops in 1923 was about three-fourths of that planted in 1913. Weather was only moderately favorable and yields were not commensurate with acreage. The wheat crop apparently was not more than two-fifths of the pre-war average. The rye crop was about three-fourths as large. Beet-sugar production was only one-fourth of the pre-war output. Wheat was the largest item in Russian export trade prior to 1914. Exports of wheat from Russia out of last year's crop were about one-fifth of pre-war exports. Rye exports exceeded the pre-war figure, but the total for the two grains was but one-third of their combined total in the years immediately preceding the World War.

Canada as Competitor

A factor not to be ignored in any consideration of the outlook for Russian agricultural exports is the development which has taken place in other grain-growing areas of the world, especially Canada, Australia and Argentina. In the five years 1908 to 1912 the combined average production of wheat in these three countries was 413,000,000 bushels, and their combined net exports were 223,000,000 bushels. Their combined crop for 1923-24 was almost 850,000,000 and their exports during the wheat year 1923-24 are estimated at about 550,000,000 bushels. The world does not need Russian grain as it needed it in 1913.

As an exporter of grain to the neighboring countries of Europe,

(Continued on page 15)

Greenshields & Co.

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Raising Mine Capital on Sound Basis is Essential to Success

Rural Reader.—I have been approached to take stock in Malone Gold Syndicate with claims close to Crown Reserve in Larder Lake. The price of the stock is 30 cents, and they say the proceeds from the sale of this stock are to defray expense of diamond drilling. They say the stock has recently had a rise of 10 cents and will be selling much above 30 cents in the near future, and they intend to list the shares when they reach par. Now I am a little green and would like to ask you, how, when the shares are not listed, do they justify their talk of a 10-cent rise and others in the future? To my mind when good prospects like Newray and Goldale can be bought on the standard exchange at around 20 cents, they are putting the price of their stock a little high at 30 cents. I would appreciate your opinion on the matter.

You have about sized up the stock selling plan of the Malone proposition. It is quite frequently done. A company will sell so many shares at a price, then raise the price for the next allotment. Of course, the price is not one that could be termed a market price and their ability to hold that price depends on how thoroughly their stock is sold and their ability to find buyers. At the present time I know of an issue that is being offered at 60 cents., but unfortunately there is a lot of loose stock around and the salesmen are not long in a new field working up prospective buyers, when others come along with this loose stock and offer it at half price. You thus could not say that the market for this stock is 60 cents. Rather is the company unfortunate in having this loose stock out to defeat their effort. There is also this feature, on the sales of a share of this 60 cent stock about 50 cents in this particular instance goes into actual mining, whereas if the cheap stock is bought at around 50 and 35 cents, the mining company does not receive a cent, the only result being that some stock jobber reaps a profit of 20 or 25 cents.

You do well to point to the shares of Newray and Goldale. They are an evidence of the folly of listing a stock and letting control of it go before it is properly financed. There are many other such examples among the mining shares.

We don't think that 30 cents is too high a price for Malone Gold Syndicate shares, providing, the commission is reasonable, that the property is geologically right and has been reported on by an engineer of standing and that the people behind the venture are persons who will ensure a real mining operation will be carried on. Selling stock at 10 and 15 cents, experience has shown, not only makes it difficult to make a mine, but usually ends in a re-organization and refinancing, a partial wiping out of the shareholder's interest, all working to the end that the stock ultimately costs the shareholder 30 cents or more, only he has had to wait longer, operations will have been delayed and costs materially increased, first through delayed operations and secondly, through having to conduct a second costly stock selling campaign. Their talk of much higher prices and listing when par is reached, would indicate an optimistic or over zealous salesman. They are peering too far in the future and weakened their case thereby. Taking a well-handled operation with good property, and its chances to succeed are much greater with 30 cent than 10 cent stock. Of course, the people behind the venture must be right.

Japan Duplicates Order for Cattle From Alberta

VANCOUVER.—The initial shipment of thirty head of fat beef cattle from Alberta to Japan proved successful, it is reported from the Orient, and a repeat order for sixty head has been received. It is believed that this western movement of beef on the hoof will shortly develop into a yearly value of a million dollars.

RSC INVESTMENT-SERVICE

Buy Corporation Bonds Now!

The scarcity of new issues has recently resulted in higher quotations for standard corporation bonds; and with the release of funds and demand for good bonds which usually feature the security markets in the Fall, it seems probable that prices will show further enhancement.

Several well-secured public utility and industrial bonds of long term are still available at a discount, which makes their yield attractive. They are listed in our "Weekly Offering List," a copy of which will be forwarded to investors upon request.

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News and Views of Bond Market

PRICES ARE HIGH BUT DEMAND NOW LOSING ITS EDGE

Money is Required for Business and the Crops

Although prices continue firm without recession at or near the high point of the recent advance, the edge has been taken off the buying demand in the bond market. New York is providing the influence. With the crop movement under way, and with prospects of greater industrial activity to follow the improvement in buying power expected to result therefrom, bank funds, which have been so freely offered for investment, are being directed into other channels. The Canadian market reflects this situation. Prices are firm, but there is little demand, the institutional buying having lost its strength for the time being and the market being comparatively bare of offerings attractive to investors seeking substantial yields. Lists of the larger houses are largely composed of odd lots.

The fact that those investors who do not make security the dominant consideration and want something more substantial in the way of interest returns than offered by government bonds are turning from the municipals, which have now reached a high level, to industrial, is regarded as likely to result in considerable financing of this class in the early future. This is particularly the case as the good market does not seem likely to influence municipal financing which is usually based upon the needs of the moment rather than the price of money. Already some industrial issues are making their appearance and the indications are that there will be considerable financing of this character when the investment market emerges from the usual mid-summer holiday period.

Where Will Robb Borrow?

However, this demand for higher yield issues is not necessarily to be taken as an indication that there would not be a market in Canada for Dominion government bonds even though the rate were lowered in keeping with the New York market, according to the leading bond dealers. It is submitted that there are always certain funds seeking security first, and that such money would be available for a refunding operation should Mr. Robb decide to do some financing at home, even at 4½ per cent. It is submitted in this connection that a large portion of the Victory issue coming due would be taken up in this way without interfering with such funds as would find their way into the entirely different class of securities offered for the financing of industrial ventures. In support of this, attention is called to the fact that bank deposits are high in relation to current commercial loans. Of course, it is admitted by those who favor the domestic loan that a great deal, in regard to money supply, will depend on the financial returns from the crop and in this connection they advance higher prices as an offsetting factor against impaired yield.

It is generally anticipated that the present New York market will attract Mr. Robb because a loan could be floated there at present at a price which would reflect Canada's high international credit standing. On the other hand, however, there is a feeling that he will also present a refunding arrangement which will permit those now holding the 1924 issue to take out new bonds if they are prepared to accept an interest return in keeping with the present market.

The week's municipal issues have included Windsor, Ottawa and Welland. The sales were marked by continued close bidding and firm prices.

July Bond Sales

New bond issues of Canadian municipalities, provinces, corporations, and railways, during the month of July totalled $54,958,780. Of this total $20,922,780 was raised in Canada, and $34,036,000 in the United States. The latter amount includes the Canadian National Railways issue of $29,000,000. For the seven months, the sales amounted to $241,617,088. Following is the record:

Municipal	$ 6,598,300
Corporation	6,324,480
Provincial	12,661,000
Railways	29,375,000
Total for July	$54,958,780
Where Sold	
In Canada—	
Municipal	$ 6,598,300
Corporation	4,824,480
Provincial	9,500,000
	$20,922,780
In United States—	
Provincial	$ 3,161,000
Railways	29,375,000
Corporation	1,500,000
	$34,036,000
Year to Date	
January	x$80,354,915
February	20,485,263
March	15,938,712
April	24,458,501
May	14,069,550
June	†31,351,367
July	54,958,780
	$241,617,088

x—Includes Newfoundland, $3,000,000.
†—Includes $15,000,000 Quebec issue turned over to Banque Nationale in connection with absorption with Banque d'Hochelaga.

Interesting Bond Issues

Cape Breton Electric Bonds at 7½%

From Our Own Correspondent.

MONTREAL.—A Montreal investment house is calling attention to the first mortgage bonds of Cape Breton Electric Company. They are offering a small block of the bonds to yield 7½ per cent. They are typical of many blocks of well secured public utility bonds that can be picked up by the watchful investor at prices to increase the general yield of the securities on his list as a whole.

This issue has only eight years to run as it matures on January 1, 1932. The interest rate is 5 per cent., and at around 86 the yield is 7½ per cent.

About the Company

The Cape Breton Electric Company, Limited, does the entire electric lighting and electric railway business in Sydney, Nova Scotia, the entire electric lighting business in North Sydney, the ferry business between Sydney and North Sydney, and operates an interurban line between North Sydney and Sydney Mines. It also owns the capital stock and $220,000 of the $380,000 outstanding first mortgage bonds of the Sydney and Glace Bay Railway Company, Limited, which bonds it guarantees principal, interest and sinking fund. This is an interurban line, 19 miles in length between Sydney and Glace Bay, which is operated under lease for 99 years from January 1, 1911.

At Sydney is located one of the largest iron and steel producing plants in Canada; at Glace Bay over one-half of the coal output of the Dominion is mined. The development of these two basic industries has resulted in the steady and substantial growth of the cities and towns served by the company, the population of which approximates 63,000.

Earnings and Expenses

Gross earnings for the last 21 years ending October 31, have been as follows:—

1903	$223,990	1914	$349,893
1904	202,018	1915	357,214
1905	211,980	1916	393,666
1906	258,416	1917	464,081
1907	250,064	1918	513,005
1908	247,545	1919	542,625
1909	285,799	1920	652,007
1910	326,010	1921	694,596
1911	337,554	1922	626,238
1912	360,176	1923	696,322
1913	360,951		

Security of Bonds

These bonds are secured by a first mortgage on the entire property of the company now owned or to be hereafter acquired. Additional bonds can be issued only to the extent of 80 per cent. of the cost of permanent extensions and improvements. The company has been under the management of the Stone & Webster organization since 1900.

While business conditions in the Sydney area have not been of the best the record of earnings justifies faith in the company.

GROW STRAWBERRIES ON PRAIRIES

EDMONTON.—Successful strawberry culture three hundred miles north of the international boundary, has been proven by R. A. Gordon, of this city. One hundred plants brought out from Ontario wintered well, blossomed heavily, and produced prolifically a well formed, colored fruit of fine flavor and firmness. Mr. Gordon has likewise had much success with fruit trees, cherry, wild plums, and crab apples.

DUKE-PRICE ISSUE MARKET INDICATOR

Showed How Brisk Bond Market is—Was Rapidly Taken up When Offered

From Our Own Correspondent.

MONTREAL.—Evidence of the briskness of bond buying in both the United States and Canada at the present time was the rapid over-subscription of the Duke-Price Power Company $12,000,000 issue when offered last week. The bonds were being offered to investors in Canada this week and were being well taken up.

The bonds were offered in Canada by the National City Company, Ltd. They are first-mortgage, six per cent. gold bonds, due 1949, payable in New York or Montreal funds, and are being offered at the price of 99 and interest to yield 6.08 per cent.

The low bonded debt of the Duke-Price development was a matter for considerable comment. It will be recalled that the West Kootenay Power development with a bonded debt of $51 per horsepower was considered very attractive when brought out last spring, and the St. Maurice with $83 per horsepower was also favorably considered, because of this low figure. In the case of the Duke-Price power development, the bonded debt of $12,000,000 for an installation of 360,000 horsepower is at the rate of about $33 a horsepower, and probably lower than that of any other comparable situation on this continent. The capacity of the station can be increased to 540,000 horsepower at an estimated cost against which less than $2,000,000 bonds would be issued, making the ultimate capacity bonded to the extent of less than $26 a horsepower.

Price Bros. Own a Quarter

Three-fourths of the $19,000,000 paid in capital of the company is owned by Mr. Duke and his associates, and the remaining one-fourth interest is owned by Price Brothers & Company, Limited. This company is the outgrowth of a business begun in 1817 and is now one of the largest manufacturers of newsprint paper in the world.

A contract has been made with Price Brothers & Company, for the sale of a large amount of energy, 200,000 horsepower by 1927, the resulting net earnings from which will approximate 1¾ times the interest charges on the present issue of bonds. Assuming the sale of 100,000 additional continuous horsepower at the rate of $12 a horsepower year, net earnings are estimated at over three times the annual interest charges on the present issue of bonds.

King Edward Financing Completed in Good Time

From Our Own Correspondent.

MONTREAL.—That the new issue of $1,000,000 of first and refunding mortgage bonds of the King Edward Hotel Company has been fully subscribed already is reported by the syndicate, Credit Canada of Montreal and Pond and Company of Boston.

Some of the bonds are still in the hands of other investment houses who have taken blocks of the issue and these are being taken up very well.

Unlisted Bonds

(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	95½	95⅝
Alabama 5% 1962	77½	78
Ames Holden 6% 1947	..	42
Belding 5% 1936	86	..
Belgo Can. Paper 6% 1943	94⅝	95¼
Brompton 8% 1941	108	110
Burns, P. & Co. 6½% 1943	98	100
Can. National Rly. 5% 1954	99⅞	100⅜
Calgary Brewing 5% 1942	78	..
Can. Steamship Lines 7% 1942	95	95¾
Can. Light & Power 5% 1949	81½	82¼
Consumers Glass 6% 1935	85½	88
Can. Steel Foundries 6% 1936	98¼	..
Dom. Iron 5% 1939	66	67
Dom. Power 5% 1932	91	..
Dom. Textile 6% 1949	..	102
East Koot. Power 7% 1942	102	..
Fraser Co. 8% 1941	105¼	105¾
Frontenac Brewery 6% 1951	..	88
G.T.P. 4% 1955	72½	..
G.T.P. Sup. 4% 1955	73	..
Holt, Renfrew 5% 1937	..	96
H. Smith Paper 7% 1941	..	96
Lake Sup. Paper 6% 1941	105¼	106
Laurentide Pow.	97¾	99
Laurentian Pow. 6% 1936	95	96
Maple Leaf Milling 6½% 1948	100¾	..
Maisonneuve 5% 1954	98¼	..
Man. Power 7% 1941	99¾	100¼
Mattagami 7% 1949	25	..
Montreal Pub. Ser. 5% 1942	87	87¾
Montreal Steel Works 6% 1940	99	..
Province of Ontario 5% 1948	100⅛	100⅜
Nor. Ont. Power 6% 1931	93⅛	94¾
Ontario Pulp 6% 1931	105	..
Price Bros	98¾	99¼
Paton Mfg. Co. 6% 1953	92	..
Porto Rico Rly. 5% 1962	61½	64
Shaw. Cotton 6% 1949	..	78
Shawinigan 5½% 1950	102	..
Shawinigan 6% 1950	103½	..
South Canada Power 6% 1949	101	101½
Spanish River 8% 1941	106¼	106¾
St. Murice Power 6½% 1953	105⅛	106¼
Wabasso Cotton 7% 1942	..	93½
Windsor Hotel 6½% 1943	100¼	..
West Koot. Power 6% 1943	99⅝	..
West. Power 5% 1949	90	..
West. Power 7% 1926 debs.	90½	..
Quebec Power 6% 1953	97⅞	98¼
N.S. Steel 6% debs.	..	64

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TORONTO. ONT.

ST. JOHN WILL HAVE $1,000,000 HOTEL

Board of Trade Raised $120,300 and Contractor Has Started

From Our Own Correspondent.

ST. JOHN.—After three months of uncertainty, the Admiral Beatty hotel in St. John is on a solid foundation. Work of this hotel, planned as the largest in the Maritime provinces, was to have been started in April, but failure to completely finance the proposition caused the delay. Members of the local board of trade formed teams to canvass St. John in a final effort to secure subscriptions in stock to the extent of $120,300. If this sum were not secured, the deal would collapse.

On the final day allotted to the drive it was announced that the objective had been reached. The contract was then signed, and E. G. M. Cape, the lowest tenderer, started work on the excavation. Mr. Cape's organization constructed the buildings of the Atlantic Sugar Refineries, and St. John Dry Dock and Shipbuilding Co. in St. John. The estimated cost of the entire hotel, which includes the main building containing 400 guest rooms, with cafeteria, dining room, private dining rooms, refreshment stand, tobacco stand, barber shop, and two rented stores, is $1,027,000. Included also is the cost of the smaller building, to be used as a power plant, and for employees' quarters, plus the cost of the land.

It is expected that the new hotel will be ready by the late spring of 1925. An interesting phase of the situation is that while a brokerage firm in St. John, Thomas, Armstrong & Bell, arranged to underwrite bonds to the sum of $72,000 in the hotel, this firm has been unable thus far to dispose of a large percentage of the bonds. It has now been proposed that the Board of Trade teams who handled the drive for the $120,300 endeavor to sell the brokerage concern's bonds also, and thus relieve the brokers of the burden. In some quarters the Canadian Pacific Railway is mentioned as having been quietly interested, financially, in the company.

The Week's Bond Sales

BIG WINDSOR ISSUE

Wood, Gundy & Co., with a bid of 97.789, were successful in getting the Windsor bonds, $943,794. They are 5 and 5½ per cent. for 10, 20 and 30 years, covering local improvement, Hydro, and water extension and schools. The tenders:

Wood, Gundy & Co.	97.789
McLeod, Young, Weir & Co.	97.78
A. E. Ames & Co.	97.47
Matthews & Co., and R. A. Daly & Co.	97.344
C. H. Burgess & Co.	97.177
Dominion Securities Corp.	96.583

WELLAND SELLS BONDS

McLeod, Young, Weir & Co. secured the Welland bond issue of $75,000, 5½ per cent., 20 years. There were nine tenders in and the bidding was fairly close. The bids:

McLeod, Young, Weir & Co.	101.60
Cochrane, Hay & Co.	101.52
Wood, Gundy & Co.	101.29
Bud Harris & Co.	100.69
C. H. Burgess & Co.	100.687
R. C. Matthews & Co.	100.68
MacNeil, Graham	100.27
Dominion Bank	100.21
A. E. Ames & Co.	100.19

OTTAWA BOND SALE

Dominion Bank, Equitable Trust, Chase Security, Solomon Bros., and Hutzler, Lowber, Stokes & Co., New York, with a bid of 100.657 were the successful tenderers for city of Ottawa bond issue of $2,469,641, 5 per cent., 5 to 30-year bonds. This is at a cost of 4.93 per cent. The bids:

Equitable Trust, Chase Security Corp., Solomon Bros. and Hutzler, Lowber, Stokes & Co., Dominion Bank	100.65 7/10
Matthews & Co.	99.92625
Dominion Securities Corp.	100.031
Wood, Gundy & Co.	100.417
Bank of Nova Scotia, R. A. Daly & Co., Hanson Bros.	99.81
A. E. Ames & Co.	99.633
Bank of Montreal, First National Bank, New York; William R. Crompton Co., Kissel, Kinnicutt & Co., McLeod, Young, Weir & Co.	99.513
National City Co., Harris Forbes & Co.	99.60
Kerr, Flemming & Co., Lee, Higginson & Co., Boston	100.213

New Corporation Issues

A recent consolidation of industrial companies under the name of the National Manufacturing Company, is responsible for the issue of $250,000 of 6½ per cent., first mortgage bonds of the company now being offered by H. B. Robinson and Company. The bonds mature in ten years' time and are offered at par with a bonus of common stock in the enterprise.

National Manufacturing Company will manufacture fire extinguishers and milking machines chiefly and the new and enlarged enterprise is the evolution of a 75-year-old business.

Circular offering the bonds states that appraised and liquid assets total $1,048,488, or over four times the amount of the bond issue. A sinking fund is provided.

METROPOLITAN BLDG. ISSUE

An issue of $1,025,000 first mortgage gold bonds of the Metropolitan Building, Limited, is offered by a syndicate composed of McLeod, Young, Weir & Co.; Housser, Wood & Co.; Bankers' Bond Co.; Murray & Co.; Stewart, Scully Co. These bonds bear interest at 7 per cent., and are due July 15, 1944. They are offered at 100 and interest, yielding 7 per cent. These bonds constitute a closed first mortgage on the land on the southwest corner of Adelaide and Victoria Streets, Toronto, owned by the Metropolitan Building, Limited, valued at $300,000, and on the 21-story and basement office building of steel, stone and brick construction to be erected thereon, valued at $1,480,000, a total value of $1,780,000. Conservative estimates of the net revenue from this building show bond interest to be earned approximately 2.40 times.

APPLE CROP SMALLER

HALIFAX.—The Annapolis Valley apple crop is now estimated by the Berwick Fruit Growers' Association at approximately 90 per cent. of last year.

BOND MOVEMENTS OF THE WEEK

WEEK ENDING AUGUST 5

BONDS	Int. Rate	Due Year	Yield	Range 1923 High	Range 1923 Low	Range 1924 High	Range 1924 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
C. C. Rubber	6	1946	6.25	102¾	98¼	99	95	97½	96¾	97½	96
Cedar Rapids	5	1953	5.06	98½	93	99¼	95	99¼	98	97	—
Dom. Iron	5	1929	717	94	84¼	92½	85	—	—	91¼	—
Montreal Trams.	5	1941	5.74	92¾	87½	94	91	—	93½	94	—
N.S. Steel	5	1959	6.53	92	84⅜	84½	77	80	77	77	—
Ogilvie	6	1932	10.07	100	92½	102½	100	—	103	103	—
Quebec Rly.	5	1939	6.24	83½	68	88¾	80	88½	88½	88¾	88½
Rio Janeiro	5	1935	6.68	87¼	81	87	82	87	—	87	—
Steel of Canada	6	1940	5.71	102½	99	103	100½	—	102¾	103	—
Wayagamack	6	1951	8.22	86¼	75	80¾	74⅞	76¼	—	76¼	76
War Loan	5	1925	4.47	100.95	99.10	101.15	100.15	100.90	100.80	100.75	100.25
Do.	5	1931	4.83	101.80	99.80	101.90	100.15	101.30	101.20	101.05	100.85
Do.	5	1937	4.79	103.30	102.00	103.30	102.10	102.95	102.80	102.90	102.65
Victory Loan	5½	1924	5.50	101.65	99.80	100.90	100.05	100.35	100.35	100.36	100.15
Do.	5½	1927	4.77	103.50	101.00	103.15	102.15	102.85	102.70	102.75	102.55
Do.	5½	1933	4.80	106.70	104.15	106.65	104.30	105.25	105.25	105.35	105.20
Do.	5½	1934	5.11	103.90	101.30	103.60	103.00	103.45	103.20	103.55	103.25
Do.	5½	1937	4.77	108.45	105.25	108.17	106.30	107.55	107.45	107.55	107.45
Do. Renewal	5½	1927	5.13	102.80	100.75	101.80	101.00	101.80	101.70	101.55	101.40
Do. "	5½	1932	5.04	103.15	100.80	103.20	101.35	103.10	103.00	103.20	102.95
Do. Refunding	5	1928	5.00	99.70	98.80	100.50	99.40	100.25	100.15	100.25	100.00
Do. "	5	1943	4.91	99.25	97.90	101.95	99.90	—	—	101.45	101.10

Municipal and Provincial Finance

JURISDICTION OF TAXATION BODIES MUST BE DECIDED

Benefit Received and Ability to Pay Are Criteria to be Adopted

The question of the jurisdiction of the various tax bodies was one of the leading subjects dealt with at the convention of the Union of Canadian Municipalities, which is being held in Windsor during the present week. Various phases of the subject, which, incidentally, is one of the dominant issues in Canadian public finance at the present time, have been dealt with in a paper by C. J. Yorath, commissioner of the city of Edmonton, and a recognized authority in tax matters.

In discussing the question of the jurisdiction or authority of the various local and national tax bodies, Mr. Yorath said:

The necessity for taxation reform, including a definite policy in relation to the spheres of taxation of the Dominion, provincial and local authorities so as to provide for what are local and national services, is becoming increasingly apparent, if not throughout Canada, at least in the Western Provinces. The continued increase of local taxation principally caused by the cost of education superimposed by the increasing financial needs of the Dominion and the provinces is creating a situation which demands immediate investigation and adjustment. Local authorities cannot continue to finance, with their restricted sources of revenue, the national and quasi-national services which are increasingly being placed upon them.

There is nothing unusual in requesting an adjustment as between Dominion, provincial and local taxation, and such a request is not without precedent. In nearly all European countries such adjustments between different taxing authorities have been made from time to time. As a country grows and the obligations of each governing authority increase there is bound to occur a time when the responsibilities and sources of revenue in respect to each must be definitely settled in the best interests of the nation. The present needs of government have outgrown the present system of taxation.

Mr. Yorath then proceeded to discuss the problem as it affects the people of Great Britain, and gave the following outline of the principles recognized by the British in regard to jurisdiction:

The principles recognized in Great Britain in respect to local taxation are (a) payment in proportion to the uses of beneficial services and (b) payment in proportion to ability for onerous services.

The problem is to construct a system which as nearly as possible gives effect to these two rules and a solution will in all probability be found in a system of taxation which will obtain from income the necessary revenue to meet expenditures on national or quasi-national services combined with a simplification and unification of local taxes for local services.

In the report of the British Royal Commission on local taxation issued in 1901, poor relief, police. criminal prosecutions, education and main roads were classed as onerous services. With poor relief were grouped pauper lunatics and asylums. The following services were considered to be preponderately national in their character—poor relief, lunacy, education, tuberculosis, hospitals, general sanitary operations, reformatories and industrial schools, court buildings, weights and measures, etc.

In Great Britain fifty per cent. of local police services and expenditures are paid by the nation for the reason that this service is national in character.

The principle recognized in the Poor Law Act of 1845 (Great Britain) was that local councils should have a choice of the following systems of taxation:

(1) They might assess one-half upon owners and one-half upon occupiers of lands and heritages according to annual value which was taken as net rental.

(2) One-half could be assessed upon owners according to annual value and one-half upon "the whole inhabitants according to their means and substance" other than lands and heritages in Great Britain or Ireland.

(3) An equal percentage could be imposed upon the annual value of all lands and heritages and upon the estimated annual income of the whole inhabitants from means and substance other than lands and heritages.

The above recognizes the principle that all revenue must not be obtained from property.

In Scotland local taxes are levied by the parish, burgh, and county councils. In the case of the parish the rates are equally divided between the owner and occupier and the history of parochial assessments shows that this was part and parcel of a system which endeavored to apportion assessments on all inhabitants in proportion to ability to pay.

In the burghs the bulk of the rates are levied on the occupier for the reason that taxation is considered to be necessary for personal services such as policing, lighting, cleansing which might be regarded as beneficial to the inhabitants of the burgh as such rather than as owners of property. The taxation of counties is levied equally on owners and occupiers and in all cases taxes are based upon the net annual rental value of property.

The relative proportion of the total revenues derived from the chief contributing sources towards the cost of education in Great Britain prior to the war, was as follows:

	Elementary Education Per Cent.	Higher Education Per Cent.
Government grants ..	49.3	42.3
Local taxes	49.0	44.0
Fees and sale of books	.6	9.3
Endowment and miscellaneous	1.1	4.4
	100.0	100.0

HEAVY BILL FOR AID OF TROOPS

Cape Breton Co. Faces Demand From Ottawa For $290,000 For Soldier Aid

SYDNEY.—Federal Militia Department has billed the County of Cape Breton for $290,000, the cost of troops sent here in 1922 and 1923 to aid civil power during strikes at the steel plants and mines of the British Empire Steel Corp. A lively local fight is anticipated over the matter, as many members of the county council and joint expenditure commission are against paying anything, on the ground that the troops were brought here without the knowledge or consent of the elected representatives of the people of the district.

C.P.R. Sells Another $10,000,000 of Debentures

From Our Own Correspondent.

MONTREAL.—A syndicate headed by the National City Company, New York, and the Guarantee Company, of New York, is offering a new issue of $10,000,000 Canadian Pacific Railway Company 4 per cent. perpetual, non-callable, consolidated debenture coupon stock in the United States at a price of 81 and interest to yield about 4.94 per cent.

This is the premier security of the Canadian Pacific Railway and for the ten and one-half years ended December 31, 1923, the company's earnings on a yearly average were approximately 4½ times fixed charges.

The consolidated debenture stock outstanding in the hands of the public, including this issue, is $264,244,882, in addition $15,000,000 is pledged under the $12,000,000 issue of Canadian Pacific Railway Company's 5 per cent. collateral trust gold bonds due April 15, 1934.

Municipal Notes

WINGHAM DEFEATS SCHOOL BY-LAW

A by-law for the construction of an addition to the high school was defeated by a majority of 169, at a ratepayers' meeting last week. It is said that only about half the available vote was polled, and that no very marked enthusiasm was shown in regard to the project.

HAMILTON ASSESSMENT CUT

After hearing appeals from about 150 residents of Ward 1 against land, building and income assessments, the Court of Revision decided to reduce the total income assessment by $60,810. The majority of the reductions were in the case of estimates made in order to close the books.

PORT HOPE TAX RATE

At a special meeting of the council held last week a tax rate of 47 mills was struck for 1924. It was stated that if the rate last year had been fixed at 46 mills, this year's rate would have been at least two mills lower, but that it was now necessary for the finance committee to fix the rate at 47 in order to equalize last year's expenses.

OWEN SOUND SCHOOL EQUIPMENT

The purchase of equipment for the new vocational department of the Collegiate Institute will now be proceeded with. The grant of $42,000 from the city to the Board of Education has been delayed for some time but the council has finally decided to issue debentures for the amount. The new department will be ready for use in September.

FREDERICTON TAX RECORD

After the close of the special discount period on city taxes, and before a final count was made, tax officials stated as their belief that the largest total of payments ever recorded during a discount period had been made. A record of $177,039 was made during the discount period in 1921 and it was believed that this amount had been exceeded.

ARNPRIOR'S SINKING FUND

According to the financial statement issued by the auditor of the town of Arnprior, the debt of the town at Dec. 31, 1923, was $353,670 and the sinking fund at the same date was $134,283.43. Through a typographical error the latter figure was incorrectly given in the Annual Government and Municipal Review number of THE FINANCIAL POST.

DRAIN HOLLAND RIVER MARSH

The engineer's report on the drainage of the Holland River marsh was adopted last week by the council of West Gwillimbury Township. A by-law was passed authorizing the issuance of debentures for West Gwillimbury's share of the project. The area to be reclaimed is 7,265 acres and the estimated cost is $130,770. This will be borne by the marsh land owners over a period of years. The reclaimed land will be used for the growing of celery, onions and other vegetables as in the case of the reclaimed lands of Essex and Kent counties.

MUNICIPAL TAX IS RECOMMENDED IN SASKATCHEWAN

Permanent Assessment Commission Advocates Personal Levy After Long Study

The report of the Saskatchewan Assessment Commission as presented to the Union of Saskatchewan Municipalities at their annual convention last week is a document of unusual interest and importance in the field of Canadian public finance. Increasing costs of government make necessary an exhaustive study of the various sources of revenue, and the matter of raising public funds is becoming a science instead of the hit-and-miss process which it has been, for the most part, in the past.

The Saskatchewan Permanent Assessment Commission which was established by the provincial government has made a thorough study of the municipal income tax question, with a view to enquiring as to its adaptability to the municipalities of the province. Enquiries were sent to a number of taxation authorities in Canada and the United States, and also to a large number of municipalities in Ontario. It seemed to be the consensus of opinion that taxes on business and property had reached the limit of ability to pay, a situation which is aggravated by the tendency of the holders of unimproved property to let the land go for taxes, thus throwing an additional burden on the other taxpayers. In principle the municipal income tax was generally conceded to be acceptable, assuming that it could be administered in an equitable manner. Emphasis was placed on the fact that a large number of the residents of towns and cities contribute little or nothing to the municipal revenue, and it was hoped that some form of income tax would remedy this evil.

After a serious study of the whole question, the commission made the following recommendations, in substance:

1. There should be a personal income tax in the urban municipalities of the province, levied on individual revenues but not on those of corporations and partnerships.

2. Exemptions should be allowed on a basis of $1,200 for each family without dependents, and $200 for each dependent.

3. Rates should be one and one-half per cent. on the first $1,000 of taxable income or portion thereof, with an increase of one-half of one per cent. for each additional thousand, until a maximum rate of 5 per cent. is reached.

4. The present system of off-sets for real property and business tax should be abolished.

5. Every resident of the age of 18 years or over is liable.

6. A uniform form of return should be used.

7. No council has any option with respect to the levying of an income tax, and the members of any council interfering should be subject to disqualification.

WOODSTOCK DEBT REDUCTION

According to a revised statement just issued by the finance department of the city of Woodstock, there was a reduction in the net debt during the last fiscal year of $35,993,593 as compared with an estimated reduction of $30,409,109 as given in the budget speech.

Tenders and By-laws

TENDERS WANTED

Aug. 11, St. Anne de Bellevue.—$35,000, 5½% serial bonds, due 1925-49.

Aug. 14, County of Renfrew.—$75,000, 6%, 20-yr. debentures, R. J. Roney, County Clerk, Pembroke. (See announcement on page 16).

Aug. 12, Shawinigan Falls, Que. — $78,000, 5½% debentures. J. O. S. Brunet, secretary-treasurer.

Aug. 13, Campbellton. — $50,000, 5%, 25-yr. bonds. John T. Reid, town clerk. (See announcement on page 16.)

Aug. 8, Ford City.—Separate School Board. $110,000, 6%, 30-yr. bonds. Jos. Lapierre, secretary-treasurer. (See announcement on page 16).

Aug. 15, Dundas, Ont.—$15,000, 5½%, 15-installment bonds. J. S. Fry, treasurer.

Aug. 11, Byng Inlet.—$4,000, 6%, 20-installment bonds. S. Fraser, secretary-treasurer.

Aug. —, Sarnia.—$47,311.37, 2 issues, 6%, 5 years; 2 issues, 6½%, ten years.

SASKATCHEWAN

List of Authorizations Granted by the Local Government Board, from July 18 to July 24, 1924.

Schools:—Hunt, $3,450; Carruthers, $2,000.

Rural Telephones:—Titanic, $1,125; Argo, $1,400.

List of Debentures Reported Sold from July 18 to July 24, 1924.

Schools:—New Osgoode, No. 1600, $1,300, 10 yrs., 6½%, Regina Brokerage & Invest. Co. Little Pine, No. 4437, $2,500, 10 yrs., 6¾%, Waterman, Waterbury, Regina. Cherry Hill, No. 1695, $3,500, 15 yrs., 6¾%, Regina Brokerage & Invest. Co. Long Range, No. 4300, $2,000, 10 yrs., 7%, C. C. Cross & Co., Regina.

Villages:—Grayson, $900, 10 yrs., 7%, C. C. Cross & Company, Regina. Birch Hills, $1,600, 10 yrs., 7%, J. Sutcliffe, Birch Hills.

RECENT RAINS BENEFITED CROPS OVER LARGE AREA

(Continued from page 1)

from the United States to Japan from August 1, 1923, to May 31, 1924, were nearly double those of the corresponding period of the previous season and to China they were more than two and one-half times as great. Canadian exports to Japan through March, 1924, increased nearly threefold and those to China nearly fourfold. During the last six months of 1923 exports of wheat and flour from Australia to Japan increased nearly two hundred times over the same period of 1922. The ratio of increase in flour shipments to China was considerably smaller.

Outlook by Districts

Of the three prairie provinces Alberta has suffered most from the drought and in that province will be the greatest permanent loss, especially in the central and northeastern districts. A fairly large number of districts report that large areas of wheat have been plowed up as the yield would be valueless. In parts of the southern section, however, very good crops will be harvested. In Saskatchewan also the central and northern districts have suffered severely, although not to so great an extent as Alberta. Heavy damage by hail occurred in the Moose Jaw area, some sections reporting the crop a complete loss. South of the main line of the Canadian Pacific Railway there is a large stretch of exceptionally good sample. In Manitoba the outlook has improved very greatly in the last ten days and the prospects for a larger than average yield are now very good. If the early frosts occasion no loss there is a chance that Manitoba will have a bumper yield as the rust is practically non-existent and no material damage has occurred from any other source. It is felt that the danger of rust has largely passed. Taking the prairie provinces as a whole the outlook has improved very materially during the past week or ten days, and while the loss has been great, it now appears to have been considerably exaggerated.

Throughout Ontario and Quebec the crop outlook continues to be very satisfactory. The wheat crop in Ontario is practically all cut and much of it is in the barns. What is not is reported to have lost somewhat by sprouting in certain areas. The sample has been very good and the yield will be well up to the average. Barley and oats have continued to improve with the recent rains and are now reported to be in quite good shape. The fruit crop has been a very good one as far as small fruits are concerned but the prices have been low.

In the maritime provinces the weather conditions during the past month have been favorable to the growth of field crops of all kinds, and the outlook is favorable for a yield in most grains well up to the average.

The Canadian National Exhibition costs $700,000 each year to stage and produce, aside from the tremendous sums spent by exhibitors to prepare their displays.

MONTREAL CLAIMS $643,915

Montreal Tramway & Power Co. has entered three suits against the Quebec, New England, Hydro Corporation, amounting to $643,915.59. The first is for $542,500 to recover sale price of certain securities said to have been sold and delivered by the plaintiff to the defendant. A second amount is for $55,433.59 to recover the amount of a certain promissory note said to be signed by the plaintiff, and a third is for the sum of $45,972.47 to recover interest on coupons said to be payable by the defendant and also certain sums of money said to have been advanced.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Date	Place	Purpose	Sold To—	Rate %	Term Yrs.	Amount	Price	Basis
July 31	Ottawa		Dominion Bank Syn.	5	5-30	$2,469,641	100.657	4.93
July 24	Saskatchewan	Schools	Various	...	....	11,800	....	....
July 24	Saskatoon		Wood, Gundy & Co.	5½-6	....	244,200	....	....
July 24	Gull Lake, Sask.		Kern Agencies	7	13	10,000	99.	7.15
July 24	King's Co., N.S.		Eastern Secur.	5½	10	60,000	101.27	5.25
Aug. 5	Windsor, Ont.	Improvem'ts	Wood, Gundy & Co.	5-5½	10-30	943,794	97.789	....
Aug. 1	Welland	Improvements	McLeod, Young, Weir & Co.	5½	20	75,000	101.60	5.37

Area of Exhibition City, Canadian National Exhibition, 264 acres. Wembley, home of the British Empire Exhibition, has 216 acres.

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Belgo Paper 6's — 1943
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Quebec Railway 5's — 1939
St. Maurice Power 6½'s — 1953
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Montreal Public Service 5's — 1942
Windsor Hotel 6½'s — 1943
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Business in force, $269,982,566.

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TOTAL BENEFITS
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THE BRIGHT SPOT IN THE MARITIMES

The Maritime Merchant

Prince Edward Island is probably the brightest spot in the Maritime Provinces at the present time. The prospects are that they will have two million bushels of potatoes there this year, a large percentage being seed potatoes, for which there is an excellent market in the United States. There is a good prospect that for their entire output the Island potato growers will average one dollar a bushel. Two million dollars from one crop is a lot of money to divide among the people of three counties. Then there is the oat crop.

CONTRACT BOND IS CREDIT FACTOR IN BUILDING TO-DAY

Guarantees Owner Against Loss When Contract Not Completed

An extension of the insurance principle, with the credit facilities it supplies to building operations, is revealed in the announcement in this issue of the offering of a real estate mortgage bond issue of the Metropolitan building to be constructed in Toronto shortly. The building which will be the highest in the British Empire when completed, will cost between one and two million dollars. The prospectus of the bond issue states that the contract to erect the building has been let to a large construction company, and the latter has furnished a contract bond from a large surety company. By the terms of this bond the surety company guarantees to the owners that the contractor will fulfil the terms of his contract. In this way, those supplying the money are protected against loss through any failure of the construction company in carrying out the terms as specified.

This form of bond has had a rapid growth in recent years, and there is every reason to believe that it will be used to an increasing degree in Canada. The need for it arises out of the fact that construction work is hazardous, and experience has shown that the promoters of projects have lost heavily at times, when contracts were not completed. These losses have occurred in various ways; even a delay in completion only may deprive invested capital of earnings for a time.

Offers Security

The contract bond offers security in several ways. In the first place it gives a direct undertaking of the surety company to make good a loss. The ability of the company to do this in Canada is assured, because, like other insurance companies, it is licensed either by the Dominion, or a provincial government, it must maintain large deposits of securities to cover the bonds issued, and it must submit to government inspection. In the second place, the fact that the bond is issued indicates that the contractor exhibits a satisfactory financial position, and a record of success. Otherwise the surety company, knowing the facts, would not agree to the bond. Finally, it ensures that the actions of the contractor will be accompanied by the experienced advice of the surety company, ever watchful against rash tendencies. The surety company is, as it were, in partnership with the contractor, tempering his activities with conservatism.

Are Three Classes

This form of bond has in a measure displaced the former plan of giving cash or securities as a guarantee with the inconvenience in handling, and the restriction of the contractor's available working funds. There are three types of bonds, according to their purpose. One covers bidding on a contract, guaranteeing that the contractor will enter into the contract if his tender is accepted. If it is not accepted, the bond lapses, but if it is accepted, then the performance bond is placed, guaranteeing fulfilment of the contract. Frequently, too, maintenance bonds are written, protecting the owner against defects in the work for a certain period of time.

Additional Service

The advantage of these bonds has resulted in their growing use, but the number of companies issuing them is not large, because it has been found that experience is a big factor in making a success in this field. The services in this connection have often extended far beyond the actual issuing of the bonds. Thus, one large company in the United States maintains a bureau at Washington. The functions of the bureau fall under three main heads. First, it secures, classifies and distributes information regarding the government's contemplated purchases to those who might wish to bid on such business. Second, it secures, compiles and forwards to bidders in all parts of the country information of all kinds preliminary and subsequent to the submission of their bids, and, when desired, represents the bidders at Washington and acts in their interests if delegated with the necessary authority by the bidders. Thirdly, it will, if desired, co-operate with the bidder, and with its local agent in the bidder's territory, in connection with the prompt and proper writing of such bonds as may be required in connection with proposals submitted to, and contracts awarded by, the various government purchasing offices.

Shut Off Power During Fire; Company Must Pay

An insurance decision of importance to insurance companies and utility concerns as well was recently given in Wisconsin. Highway Trailer Co. sued Janesville Electric because the latter shut off power during a fire which destroyed the trailer company plant. The electric company did not attempt to deny that it was negligent, but concentrated its effort upon showing that if such were the case it would constitute a breach of contract between the city of Edgerton and the Janesville Electric Company, since the latter was under contract to supply the city with electric power. If such a breach existed under Wisconsin law, an individual who had sustained losses would be remediless.

The judge held that the breach probably did exist, but that culpability of the electric company extended further, that it owed a duty to society and to every individual to whom it furnished light and power, and that since destruction of the plant had been rendered easier through lack of water the electric company was responsible.

The case has been in the courts since 1921, and, in giving his decision, the judge confessed that he was not sure of the conclusion he was about to draw and that the angles in the case confused him greatly. Damages awarded totalled $47,703.

BUY NEW POLICIES AS MEANS PERMIT

Some Men Are Continually Adding—Agents Who Watch Closely Can Thus Benefit

That men to-day do not content themselves with purchasing one life insurance policy, but continue buying insurance as their financial position admits, frequently in increasing amounts, is now recognized by insurance men. An example which proves the tendency is given by the London Life Insurance Company in its agency bulletin. The history of one man's insurance purchases is as follows: In 1912 he had $8,000 insurance divided $4,000 in company number one, $1,000 in number two, and $3,000 in number three. In 1917 his insurance in company one had increased to $5,000, while he had purchased $2,000 of insurance in an additional company, number four. In 1923, company one had increased its insurance on him to $24,000. By this time, however, another company, we may call number five, had placed $17,500 of insurance on his life, and still another had sold him $9,000. In this period, too, company number four had accepted him for an additional $21,300. Since that date he has purchased another $5,000 in another company, which had not previously insured him. The total insurance to date is $82,800.

A study of the development shows a tendency to place additional insurance and to buy larger policies as his means and appreciation of the advantages of insurance grew. This is a natural course, as the growth of the insured's activities steadily widened his needs for insurance. However, it presents a question as to whether the first three companies secured as large a proportion of the business as possible. While company one apparently kept in touch with the insured and secured a fair amount of additional business in succeeding years, the second and third companies failed to do so. While most men with larger amounts of insurance prefer to divide it rather than place it all in one company, it is evidently possible that some of those soliciting insurance in this case might have placed larger policies with the proper presentation.

FORCING WORKER TO TAKE POLICY PAID

Did Not Believe in Insurance but His Wife Benefited Within the Year

The fortunate results of selling insurance to a man who had previously been a strong opponent of it are told in a letter received by the Mutual Life of Canada, which reads;

"For your use I am quoting an instance that was brought to my attention yesterday of a friend of mine who never would take out insurance, though he was the father of some twelve children and earned good wages. He had invested some of his savings, if not all, in some flats or houses which he built.

"The firm he was working for took out group insurance on all their employees and after considerable persuasion managed to overcome his opposition sufficiently to get him to join in it. He said he would not pay any $1 per month, but would pay $12 down right away for a year's premium in advance as he did not believe in the thing and did not want to be bothered with these premiums.

"Two weeks ago, just a few days under a year, he died after a short illness and for that $12 paid under the group insurance plan, his widow received $2,000. One of his chief worries when on his death bed was how his family were going to pay for a tombstone he had built for his two sons who had predeceased him."

JOINS NORTHERN LIFE BOARD

M. G. Campbell has been appointed to the board of Northern Life Assurance Co. Mr. Campbell is general manager of the Kelsey Wheel Co., Windsor.

CHANGE OF POLICY ALWAYS MEANS A LOSS TO INSURED

Sometimes Done by Agents Wanting Commission—Practice Passing

Are changes in life insurance policies justified? This is a question which arises periodically because of the tendency of some agents to effect changes in the existing insurance on the lives of those they approach for new business. Consideration of the question is closely allied with that of persuading the insured to let an existing policy lapse to secure another with supposed advantages. That this action will result in an advantage to the insured is true only in rare cases and it is usually found in such cases that the salesman is actuated chiefly by the desire to secure new business and a commission. Fortunately the practice is not common in Canada and with the increasing knowledge of insurance it is likely to become less frequent.

On the question of changing, some good advice is given in the current issue of the agents' bulletin of the Mutual Life Assurance Company. It says:

"Allowances are made in cases where the assured applies to change the plan of insurance to a cheaper one, if he is compelled to reduce his expenditure for insurance, or is in urgent need of additional protection for which he cannot pay, in such case the procedure may be justifiable, but where the change is made in a policy where the assured is well able to pay the cash premium on a new insurance, the practice is injurious. It is not in the interest of the company nor the policyholder, unless, as we have said, the latter is in urgent need of increased protection and 'does not have the price.'

"In ordinary cases the practice of cheapening an existing policy in order to get funds to secure a new policy is vicious. Every policy should be allowed, if possible, to realize the benefits offered by the company under that contract when it was taken out.

"The assured may feel that he is securing additional insurance without feeling the pinch of paying for it, but this is a delusion. The existing contract is worth so much money and if the surplus is diverted to buy a new policy or if the plan is cheapened to secure an allowance, the assured suffers what is equivalent to an actual cash loss. The fact that he does not feel it does not alter the situation.

"A new policy should be taken on its own merits. It will amply satisfy and compensate the assured for his investment. But if he takes it with the proceeds of an allowance or the profits on an old policy, it is likely that at the end of the year when the renewal comes due, the policy which had cost nothing will lapse. A man who cannot pay a first premium without depleting an existing policy will not likely renew when the anniversary arrives.

"Securing new applications by manipulating old polices is not true service except in extreme instances. Any agent can write a new policy with the profits on existing policies or with the proceeds for a change, but is that underwriting or 'juggling'?"

Reduced Mortality Rates Bring Lower Premiums

The changes in the mortality experience of life insurance companies in recent years have reacted strongly to the benefit of those purchasing insurance. The natural tendency has been toward a reduction in the rates on all standard policies as investigation revealed that this was possible. This has been done without in any way imperilling the soundness of the basis on which the rates charged are calculated, as the reports of the companies, even during the influenza epidemic, with the prevailing heavy losses from the war, do not reveal an actual loss record exceeding that provided for. While this tendency reacts to reduce the premiums on life insurance it has the opposite effect in the case of annuities. In England, where the latter have been developed on a large scale, this is of great importance. The London Statist points out that there has been a steady increase in the vitality of annuitants and, in consequence, revisions of charges in an upward direction have already taken place in numerous instances. In Canada the annuity has not become so popular, and the life insurance companies have paid little attention to this branch of the business. However, a plan is operated by the Dominion government which reports an increasing interest in the annuities offered.

CHANGE IN MANAGERS

T. C. Phillips, Lethbridge, is new district manager of Mutual Life at Red Deer, Alta. Geo. Gibbons, formerly of Red Deer, will be district manager at Peterborough.

The Record of Fire Losses in Canada

Property / Place	Date	Damage	Insurance	Cause
N. Brunswick				
Steeves House, Bridgedale	July 25	$ 8,000	partly	......
Steeves House and Barn, Covedale	July 26	12,000	partly	......
Nova Scotia				
Dom. Fisheries, Inverness Co.	July 25	......	......	......
Quebec				
Kaswatsky Junk Shop and two dwellings	July 30	gutted	......	......
House Refuge, St. Clotilde	July 26	3,500	small	......
Gagnon's Optical Shop, Quebec	July 30	300	Partially	Lamp
Barker Apt., Montreal	July 29	......	......	Cigarette
Harbor Shed, Quebec	July 25	300,000	partially	......
Ontario				
Seaman Kent Factory, Owen Sound	July 29	slight	......	Sport Comb.
Vanatter Barn, Paris	July 30	complete	......	Lightning
Soo Falls Brewry, Soo, Ont.	Aug. 2	10,000	covered	Elec. Wire
Store, Ottawa	July 25	60,000	48,000	......
King Bldg., Toronto	July 26	2,000	......	Cigarette
House, Weston	July 25	2,000	......	Oil Stove
Warehouse, Montreal	July 25	100,000	fully	......
Baker House, Mimico	July 30	500	fully	......
Innis Grocery Warehouse, Prescott	July 30	......	......	Lightning
Perrier House, Eastview	July 28	600	fully	O'heated Stove
Legault House, Ottawa	July 29	3,000	fully	......
McLaren Barn, Renfrew	July 29	12,500	6,000	Combustion
Timber Barn, Peterboro	Aug. 1	......	......	......
James Veneer Factory, Caranville	Aug. 1	......	......	......
Knitting Mills, 3116 Dundas, Toronto	Aug. 1	5,400	......	......
Prest's Garage, North Bay	July 25	7,000	covered	Gas Exp.
Keyes, House, Store and Barn, Colebrook	Aug. 3	30,000	small	combustion
Bell House, Warsaw	Aug. 3	total	......	......
Kirby Lumber, Toronto	Aug 2	10,000	......	unknown
Morinus Hotel, Muskoka	Aug. 3	25,000	......	......
Manitoba				
Unicume Warehouse, Brandon	July 30	2,500	......	......
Saskatchewan				
Sinclair Farm House, Waterous	July 28	complete	covered	unknown
Alberta				
Brook's Residence, Taber, Alta.	July 26	complete	1,500	unknown
Bus. Section, Nat Hotel, Lee Laundry, Wong Gar and White Cafes, McGellway's Farm, Sprtt's Gen. Horsley's Hardware, Castor	July 25	250,000	......	Incendiary
British Columbia				
Yakima's Fruit Warehouse, Yokima	July 26	350,000	partly	Incendiary

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SUGGEST SENDING ROLLING EXHIBIT THROUGH EUROPE

Success of French Train Back of Idea for Further Trip

PRACTICAL RESULTS

A Big Help in Trade and Immigration—Senator Beaubien Reviews Achievements of Last Year's Tour

From Our Own Correspondent.

MONTREAL.—There is a strong feeling that the Canadian train, which toured France last summer, should be sent to other countries to take the story of Canada's opportunities to the peoples of other lands. Senator C. P. Beaubien, who fathered the French train, made the suggestion in the Senate in the closing days of the session, and there were other business men who are inclined to favor the proposal. It has been suggested that the train, in somewhat changed form to allow for the different countries it would have to visit, should go to Czecho-Slovakia, to Poland, to Scotland, even to the United States. It could be a mighty force in getting agricultural immigration for Canada, is the view of the backers of the scheme for a further tour of Europe.

An Estimate of the Cost

It would not be possible to utilize the same train of 30 Renault motor trucks and trailers that were used in France. This is because the French train has been disbanded and the rolling stock in any event belongs to the French government. But it is felt that for a capital expenditure of $150,000, a complete train of 30 similar units could be gotten together and would be serviceable for many years as a traveling exhibition that would picture Canada to the peoples of the countries it would visit. The cost of a three-months tour every year would be around $45,000. These are outside estimates, and much higher than actual cost and expenses of the French tour.

It is interesting to note that the idea of a traveling exhibition to take the exhibits to the people rather than of a permanent central exhibition which must draw people from other centres has been taken on by other countries. Next season an exhibition train will leave Milan and visit 76 cities in the Italian peninsula and in Sicily. The trip will last ninety days. The train will carry goods of different countries.

It will be observed that such a train is a powerful force in selling goods as well as in attracting immigrants of a desirable class.

The Practical Results

The Canadian train that toured France last summer went almost from house to house. Certainly it got into intimate contact with the French people. There were often as many as 40,000 or 50,000 people visiting the train and its exhibits at one time. The impression everywhere was excellent, and results favorable despite the fact that France finds it difficult to buy in Canada due to the enormous odds against her in matters of exchange.

As to the practical results, Senator Beaubien related a story of the achievements of the train in his speech in the Senate. This speech did not receive a great deal of publicity in Canada, but is being widely distributed throughout France to show the French people how much Canada appreciates the co-operation given by the French government, and the warm welcome given by the French people to the train last year.

Senator Beaubien pointed out that the exhibition cost Canada about $100,000. In reality Canada got a three-in-one exhibition for this: the tour through France, the tour through Belgium, and the fixed exhibition at the Orangerie in Paris. It showed to 3,000,000 people. By comparison, Canada's exhibit at the Panama Pacific Exposition cost over $686,000.

Despite the decline of the franc, there were no less than 2,672 inquiries of a commercial nature received and distributed to Canadian manufacturers. These covered the following fields::

Inquiries Received

	France	Belgium
Foodstuffs	1,044	117
Wood products	276	71
Furs, hides, etc.	166	33
Fibers and textiles..	219	42
Mineral	52	19
Iron and steel	214	44
Chemicals	79	21
Miscellaneous	226	49
	2,276	396

Some manufacturers have found it advisable to follow up the work of the train by arranging for direct representation in France. Others, like the Wayagamack Pulp and Paper Company, concluded from this experiment that they could win out in the French market, and they have resolutely set out to do it. Our exports to France and Belgium have shown decided gains since the train toured those countries. Senator Beaubien points out that in the five months before the train toured Belgium our exports to that country fell steadily as compared with monthly figures for the previous year. In the six months following the visit of the Canadian train to Belgium increases in exports were recorded.

Should Train Go Further?

It is understood that members of the cabinet are not at the moment favorable to the idea of further exhibition trains. They are not disappointed at the results of the French train, but do not like to hazard the necessary expenditure for tours to other countries. The Canadian train in France was planned, arranged, and run by Senator Beaubien. It is doubtful if Senator Beaubien would want to give enough of his time to carry on the experiment further in other countries. He is a man of broad business interests. What is lacking for a further extension of the idea is individual initiative. It might be that private organizations could with government support and co-operation, give Canada a traveling exhibition in other countries than France and Belgium.

It was all an experiment; the results were perhaps as great as expected. In tangible things the results exceeded all expectations. And the expense was only one-fifteenth of the expense of our display at Wembley.

RUSSIA NOT LIKELY TO BE EARLY WHEAT COMPETITOR OF CANADA

(Continued from page) 10

Russia has the advantage of contiguity to its markets. From this standpoint its competitors are Bulgaria, Rumania, and the plains of Hungary. Its second great advantage is the fact that its peasantry have a very low standard of living, which is the equivalent of low wages. Wages are measured in terms of efficiency, however, and it is not certain that Russian peasants are cheap grain growers when this test is applied.

Against these are the advantages of Canada and other new grain lands where natural fertility, large-scale methods of production, and bulk handling together with modern and adequate transportation facilities are important offsets to the advantages accruing to Russia. Seed selection, clean handling and careful grading are also important influences in favor of Canada, and perhaps to a less extent the other newer countries. It is a safe conclusion that unless Russian methods of grain growing and handling are altered radically, Russian grain cannot compete on a quality basis with wheat grown in North America, Argentina and Australia. It is difficult to find in the agricultural situation any basis for great expectations of foreign trade.

Condition of Wage Earners

Although the entire Soviet system has been constructed to favor the industrial workers, it is not clear that their situation is any better than that of the peasants. According to Soviet sources, wages are 60 per cent. above the pre-war level. This rate of increase is not confirmed through other sources, however. According to the Commercial Intelligence Journal of Canada, the average monthly wage of the nine leading industrial groups in January, 1923, averaged 18.6 gold rubles, compared with 25.3 gold rubles in January, 1913. A German source, based on Russian data, has stated that in October, 1923, wages in the main industrial groups varied from 37 per cent. to 113 per cent. of the pre-war level, the average being 62 per cent. of wage rates prevailing just prior to 1914.

Unemployment has increased steadily throughout the last year. On January 1, 1923, official returns showed 382,400, while on January 1, 1924, the number reported out of work was 793,900. An official estimate for April 1 is that 1,000,000 are out of work. In June, Albert Thomas, director of the International Labor Office at Geneva, stated that Russian industrial production was only one-third the pre-war volume, that 1,500,000 were idle, and that the number was likely to increase.

Copper Production Shows Jump Over 100 Per Cent.

Production of copper in Canada amounted to 86,881,537 pounds, which at the average New York price for the year (14.421 cents per pound) was worth $12,529,186 as against 42,879,818 pounds valued at $5,738,177, or an average price of 13,382 cents per pound in 1922. The increase amounted to 103 per cent. in quantity and 118 per cent. in value. The figures for 1923 have only been exceeded in the four-year period 1915 to 1918, when the production due to war conditions was well above 10 million pounds annually.

The figures:

	Quantity Pounds	Computed Value
*Ontario	31,656,800	$4,565,227
British Columbia	55,224,737	7,963,959
Total for Canada	86,881,537	$12,529,186

*Includes some copper contained in furnace cleanings and residues from silver smelters and in silver ores.

The total production of electrolytically refined copper in Canada during 1923 was 1,647,455 pounds as compared with 730,000 pounds in 1922. All the refined copper produced in 1923 was made at Deschenes in Quebec province, the copper refinery of the Consolidated Mining and Smelting Co., Trail, B.C., having been idle throughout the entire year.

LOWER TAXATION IS URGENT

(Galt Reporter)

It is said the province of Ontario will be able to carry on this year without new taxation.

That is satisfactory as far as it goes. If there were new taxes imposed this year the people would make a clamor against it and they would have a perfect right to do so, as the burden of taxation in Canada is already too great.

But the Ontario government ought to set a commendable precedent by cutting down taxation. The people of Ontario want relief from the taxation already in existence. The increase of this burden is out of proportion to the progress made in production of wealth.

Private business has been marking time for several years and the population of the country has not shown an increase, yet governments have gone right ahead piling up commitments that must be met out of reduced earnings of the people. That is a demonstration of faulty public administration.

Intensive thought must be given the taxation problem. It is the biggest task confronting those in public life to-day and the success of the treatment provided will reflect the brand of intelligence that deals with it.

TO FINANCE NEW OFFICE BUILDING BY SALE OF BONDS

Toronto Syndicate to Market Metropolitan Building Issue

Toronto's first real estate bond issue is being offered by a syndicate composed of McLeod, Young, Weir Co., Housser, Wood and Co., Bankers' Bond Co., Murray Co., and Stewart Scully Co. It is to raise $1,025,000 to provide for the construction of Metropolitan Building, Adelaide and Victoria Sts., Toronto. The bonds will be first mortgage, 7 per cent., and are being offered at par, $1. They are of 1944 maturity, but are callable on 30 days' notice at 105 and interest for the first five years and thereafter at a premium lower ¼ of 1 per cent. for each year, with a minimum of 102. A sinking fund will be provided.

The building will be a twenty-one-story affair, the highest in the Empire, and will have 150 ft. frontage on Victoria, and 54½ ft. on Adelaide St., The land has been valued at $300,000. The building will be fireproof, brick and stone, with a rental space of 128,700 sq. ft. Gross revenue, before allowing for vacancies, maintenance, etc., is placed at $300,630. These charges, estimated at $127,313, leave $173,317 to meet bond interest.

Contract for erection of the structure is in the hands of the Canadian branch of G. A. Fuller Co., New York. The trust deed provides that an amount to cover interest and sinking fund charges on the bonds, insurance and taxes, must be deposited monthly, and that cash reserve of $100,000 must be created and kept intact before payments of dividends on the capital stock can be made.

Before the offering was launched, a survey of the office rental situation in Toronto was made, and some interesting facts brought out. It shows a small amount of space available. It is stated that leases have been signed already at rentals higher than those on which the estimates of earnings are based. The company also claims that the low valuation of the land in relation to that of other structures, means a saving of business taxes.

The accompanying table on office rentals in Toronto, showing the average charges per foot, rentable area, assessment, etc., is given:

MAKING THE BEST OF IT

Shortly before Mr. Smith became the president of the New York Central, he had occasion to travel on a N. Y. C. accommodation train running out of Buffalo. A few seats ahead of him was a young man, evidently dressed in his best, with rice scattered over his hat and coat. The conductor, coming down the aisle collecting fares, greeted the young man heartily, glanced at a pass he proferred, and slapped him familiarly on the back.

"Looks as if he had been at a wedding," observed Mr. Smith when the conductor had reached him and was punching his ticket.

"He has," said the conductor. "He's been at his own. He's Tom Delaney, the regular fireman of this train, and was married this morning. He's now on his way to Albany and New York to enjoy his honeymoon."

"Honeymoon!" ejaculated Mr. Smith. "Where is his wife?"

"Home," the conductor informed him. "This danged road was too stingy to give Tom more than one pass."—Forbes Magazine.

SUMMARY OF RENTALS, HEIGHT, SPACE, VACANCIES, ETC., IN TORONTO'S LARGEST DOWNTOWN OFFICE BUILDINGS AS OF JUNE 27TH, 1924.

Building	Average rental per sq. ft., exclusive of ground floor.	Present Renting Prices per sq. ft.	No. of Stories	Rentable area in sq. ft.	Vacancies	Assesment		Total
Lumsden Bldg.	$2.15	2.00-2.25	10	63,000	none	Land	$401,292	
						Bldg.	185,000	$ 586,292
Excelsior Life Bldg.	2.50	2.50-2.75	11	69,000	1%	Land	216,562	
						Bldg.	375,000	591,562
Temple Bldg.	2.50	2.50	11	84,458	6%	Land	294,733	
						Bldg.	450,000	744,733
Royal Bank Bldg.	2.75-3.00	2.75-3.00	20	125,000	10%	Land	743,500	
						Bldg.	915,000	1,658,500
Bank of Hamilton Bldg.......	2.25	2.50-3.00	15	77,000	8%	Land	403,875	
						Bldg.	585,000	988,875
Federal Bldg.	2.00	2.00-2.50	11	130,000	none	Land	107,511	
						Bldg.	250,000	*357,511
General Accident Bldg.	3.00	2.50-2.75	10	50,000	none	Land	163,800	
						Bldg.	300,000	463,800
Reford Bldg.	2.25	2.25-2.50	10	40,000	18%	Land	112,908	
						Bldg.	200,000	312,908
Dominion Bank Bldg.	2.50-2.75	2.50	12	60,000	1%	Land	1,020,375	
						Bldg.	1,000,000	2,020,375
C. P. R. Bldg.	2.75	2.75-3.00	15	80,000	12%	Land	632,826	
						Bldg.	750,000	1,382,826

*Assessed as unfinished building.

Note:— The average vacancy is just about 5%.

THE
WESTERN EMPIRE
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

INTERNATIONAL TIME STAMPS
The most reliable spring-driven stamp on the market. Sets dates automatically. Prevents mistakes and disputes about time in connection with mail, documents, instructions, accounts, etc.
We also make automatic attendance registers, electric time systems, etc. Write for folder.
International Business Machines Co. Limited.
300 CAMPBELL AVE., TORONTO, ONT.

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

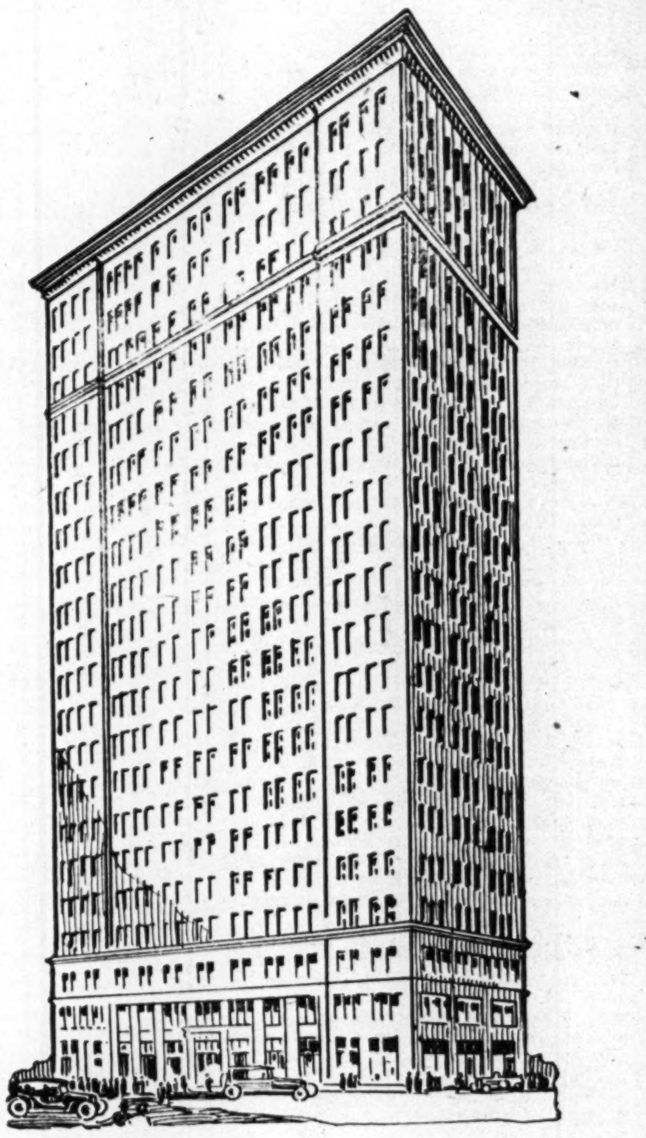
$1750
Well-timbered building lot, convenient to Yonge Street on paved road.
H. R. Douglas
Elgin 3308 Mail Bldg.

$1,025,000

The METROPOLITAN BUILDING LIMITED

Southwest Corner of Adelaide and Victoria Streets
Toronto, Ontario

7% FIRST MORTGAGE REAL ESTATE SINKING FUND GOLD BONDS



THE Metropolitan Building—highest office building in the British Empire—will have a first mortgage bond issue of $1,025,000. This is secured by a closed first mortgage on the land at the southwest corner of Adelaide and Victoria streets and the 21 storey and basement fireproof office building of stone, steel and brick construction being erected thereon. The total rental area will be 129,600 square feet

The real estate department of the National Trust Co., Limited, has valued the land at $300,000 and the Carswell Construction Co., Limited, has valued the building at $1,480,000—a total of $1,780,000. The First Mortgage bond issue is therefore only 57½% of these conservative valuations.

The National Trust Company real estate department's estimate of gross rental revenue is $300,000 per annum. Deductions for vacancies and for operation and maintenance charges, based on actual costs of a number of Toronto office buildings, show a net revenue earning the interest rate on the First Mortgage issue over 2.40 times.

The issue, which is in denominations of $1,000, $500 and $100, is dated July 15th, 1924, maturing July 15th, 1944, with coupons payable on the 15th of January and the 15th of July, at the Bank of Nova Scotia, Toronto and Montreal.

These bonds are callable on any interest date, in whole or in part on 30 days notice at 105 and interest, for the first five years and thereafter at a premium lower by ¼ of 1% for each year, but in no case at a lower price than 102 and interest. A sinking fund will be provided sufficient to redeem the entire issue by maturity.

The legal opinion is by Messrs. Long and Daly, Toronto.

Chartered Trust and Executor Company, Toronto, is Trustee.

The contract for the construction of the building has been awarded to the Canadian Branch of the George A. Fuller Co. of New York, the largest building contractors in America. There has been obtained a surety bond, guaranteeing the completion of the building in accordance with the terms of the construction contract, free from all liens or other encumbrances, except such as are subordinate to the first mortgage securing these bonds.

Insurance will be carried, payable to the trustee for the protection of the bondholders. The trust deed provides that an amount sufficient to cover total interest and sinking fund charges on the first mortgage bonds and insurance and taxes on the property, must be paid to the trustee in monthly installments during the entire life of the bonds.

We recommend these bonds for conservative investment.

PRICE 100 and Accrued Interest YIELDING 7%

Orders may be telegraphed or telephoned to us at our expense, and bonds will be delivered to purchasers free of all delivery charges.

McLEOD, YOUNG, WEIR & CO. LIMITED
HOUSSER, WOOD & COMPANY LIMITED
BANKERS BOND COMPANY LIMITED
MURRAY & COMPANY
STEWART SCULLY COMPANY LIMITED

The statements contained in this advertisement are not guaranteed, but are based on information which we believe to be reliable and on which we acted in purchasing these securities.

ENTHUSIASM IN WESTERN CANADA FOR GRAIN POOL

But Feeling That Farmers May be Disappointed in Results

From Our Own Correspondent.

WINNIPEG.—Despite predictions to the contrary the wheat pool movement has begun to take very definite shape in the West. At a conference of the executive members of the Manitoba, Saskatchewan and Alberta pools, which has been concluded in Regina, it was decided to establish an inter-provincial selling agency in this city under the name of "The Canadian Co-operative Wheat Producers Ltd.," and steps are being taken to obtain a Dominion charter. A committee is also at work to look after the organization arrangements.

The directorate of the new company will consist of nine members, three of whom are to be appointed from each province. The plans are that the company should have a capitalization of $150,000 which will be held in equal shares by each of the three provincial pools.

Although the Manitoba pool is not yet within measurable distance of having signed up the million acres which is its objective, considerable progress has already been made in connection with the organization of the co-operative scheme in this province. The announcement has been made that R. M. Mahoney, assistant general manager of the Home Grain Co., has been appointed manager for the Manitoba project. Although only 34 years of age Mr. Mahoney has been identified with the grain business for many years, having commenced to work in a country elevator at the age of 15. In 1916 he was appointed western manager for the Home Grain Co., and last year he was promoted to the post of assistant general manager of the company.

Mr. Mahoney's experience includes a term on the grain survey board of grain commissioners. During the period from 1920 to 1922 he served as president of the Calgary Grain Exchange. Following his appointment as manager of the Manitoba pool, Mr. Mahoney left immediately for Calgary to study the office system of the Alberta pool.

It is generally admitted here that the success of the pool schemes will in a very large measure be determined by the effectiveness of those who will be chosen for the executive posts. To conduct enterprises of such magnitude men of unusual capacity will be required and the selection to be made will be closely watched by the grain trade throughout the West. In addition to having a wide exacting knowledge of the grain trade and its multitudinous marketing intricacies those chosen for the senior posts will be required to be diplomats of a high order.

Lots of Enthusiasm

The enthusiasm for the wheat pool movement is now running high throughout Western Canada, but shrewd observers are questioning whether it will be quite so high two years from now. It is admitted, of course, that the co-operative selling agency will have to give results, and it is believed that there will be a disposition on the part of many of its present champions to expect something sensational along this line. The same criticism and restlessness which has been directed against the old established marketing system would, it is believed, spell speedy ruin for the pool. In any case the old established system with the grain broker as the pivot will still be in existence to offer effective competition or if need be, to take over the whole of the great task of marketing the West's wheat.

SENATE REPORT POINTS THE WAY TO GET ECONOMY

(Continued from page 1)

have their effect, but of themselves they do very little towards saving money. Those who spend the money don't care how many strong economy speeches are made as long as they have their own way. Besides, they have the recommending, and they are not usually given to knocking out an item before they have to do so.

Experience shows that discussion in the house does not effect important savings in expenditure. A talkative house of 245 members is about the last place to expect action for economy, especially when the average member knows in his heart that his popularity will probably be increased in proportion as he gets a little more money for his constituency.

If parliament really wants economy it can get it all right through the measures that the senate committee has suggested. In short, it says, have the departments that have not been overhauled in recent years reorganized by the Civil Service Commission, and give that body authority to report both to the cabinet and to parliament cases in which efforts to reorganize have been opposed. This would get rid of the hidden snags that the public does not see.

To reduce expenditure generally in the government service should be no more difficult than it is in private business. The only difference is that usually "you don't have to." In private business "you have to," when the balance begins to shift to the other side of the ledger. The government service is not expected to pay, which means that the great impelling power to economy in private life is not active.

Wanted—A Partner

Eleven years ago I started business with $150 as capital. In these years I have built up a sound business and have acquired over $40,000 invested principally in buildings and stock. Now I feel the need of $15,000 to enable development which my experience leads me to believe will bring substantial profits. Interested parties should communicate with the writer, Box 40, THE FINANCIAL POST.

A Better Feeling Now in the Metal Trades

Operations have not increased perceptibly in the metal-working industry this week; the depleted condition of stock appears to be the main reason for the confidence with which the remainder of the year is viewed. Little change is noted in the character of the buying, in fact, generally speaking, sentiment has improved faster than actual business, according to Canadian Machinery.

In Toronto markets, the general feeling has greatly improved, and reinforcing steel is moving briskly. Brass and copper warehouses report good business with a drop in copper sheets, seamless tubing and brass seamless tubing. The old material market, however, remains practically the same.

FEELING AGAINST CROW'S NEST PACT GROWING GENERAL

Representations Being Made That Gross Discrimination Should be Halted

The renewed operation of the Crow's Nest Rates Agreement after an extended period of suspension is the occasion of no little indignation in many parts of the country. There is a growing feeling that some adjustment will have to be made in the glaring inconsistencies which have arisen.

The chief cause of complaint with regard to the rates agreement arises out of the apparently irrational rate discrimination as between different centres. The agreement was made in 1897 and grants very low rates on some 14 articles, such as fruit, twine, furniture, agricultural implements, and so on. The rates apply only to those points which were served by the lines of the Canadian Pacific Railway at that time, and do not legally apply to the lines of the Canadian National Railway at all. In this way a certain city has specific rates, while a city a few miles away may have to pay almost double these rates to a given point. The following examples were quoted by certain members of Parliament from the west in an interview with Premier King recently:

"The results are extraordinary, as could be seen from the examples given to Premier King and his cabinet. The rate on apples, carloads, from Fort William to Moose Jaw, 817 miles, under Crow's Nest agreement, is 61½ cents; from Kelowna to Moose Jaw, 812 miles, the rate is $1.13, or nearly twice as high.

"In Ontario we have this anomaly. The rate on apples from London to Regina, 80 cents; Niagara to Regina the rate is $1.27, or over 50 per cent. more.

"Even New Brunswick and Nova Scotia are up in arms. On paints the rate from St. John to Winnipeg is $1.02, but from Sackville, N.B., it is $1.28.

In view of the above and similar examples of rate discrimination, which apply all over the country, the rates schedule in its present form is coming in for wide-spread criticism. The people of British Columbia are protesting that fruit can be sent to the prairies from Ontario at lower rates than from the coast province half the distance away. Certain Ontario cities object to the agreement on the grounds that they have to pay double the rates paid by cities a few miles distant, who happened to have a Canadian Pacific branch line in 1897. On top of this comes the application from Manitoba to revise the rate agreement, the rates of which are even lower than those of the Crow's Nest Agreement. In addition to this, the general public at points other than those of the low rates, are clamoring for a reduction of all rates to the level of the Crow's Nest schedule. It is evident that the agreement satisfies only a very few, and is highly discriminatory. It is not to be wondered at, therefore, that there is a growing feeling throughout the country that something will have to be done at once to rectify a grossly unsatisfactory and unfair situation.

TORONTO GENERAL TRUSTS

R. M. Forbes Steps up to Position of Assistant General Manager

Rector M. Forbes is assistant general manager of Toronto General Trusts Corp., having been promoted from the post of estates manager following the appointment of Mr. Watson to the general managership. T. J. Maguire, is another employee of Toronto General Trusts to get promotion, stepping up from the post of secretary of the corporation to the management of the Toronto office He started with the company in 1896, and has moved up steadily. Mr. Forbes, joined the concern in 1898 and rose steadily. In 1917 he was chosen manager of the Vancouver office in charge of B. C. business and in June of last year returned East to take up the post he has just vacated.

80 FAMILIES TO CANADA

WINNIPEG.—It is reported that negotiations are under way for the acquisition of 12,000 acres of land in Western Canada for the formation of a community of approximately eighty families from Ohio and Virginia. According to the representative of the prospective immigrants the community will consist of competent farmers and will include two scientific agriculturalists.

RETURN VAST AREAS OF ALBERTA LANDS TO THE RANCHERS

Drought Section of South Should Never Have Been Broken

The problem of Southern Alberta, commonly called the "drought area," as a farming section, is again raised by Cora Hind in Winnipeg Free Press. She points to the millions of acres that were once fine grass country and the home of many of Alberta's famous ranches which since they were broken up are worthless. What is to be done? she asks.

Hundreds of cowmen can well say, "I told you so." They vigorously opposed the breaking up of their ranches, declaring that the land would never produce crops. Now the cattle are gone and the crops are not forthcoming. Miss Hind makes the point that back in 1919 she advocated aid in getting the farmers out of this area to other parts to make a new beginning and get this land back to grass, at the same time that irrigation projects, where the land was suitable and water available, should be given every possible encouragement, and that people settling on irrigated lands should have experts on irrigation available so as to make the most intelligent use of their land and the supply of water. Southern Alberta irrigation areas, being further north than any other large bodies of irrigable land, naturally presented problems that could not be solved by experience in other irrigation districts, but expert irrigators from countries where irrigation is an old story would naturally adapt themselves more quickly to new conditions, and would have less difficulty in solving irrigation problems than men and women entirely unacquainted with irrigation.

Five years have passed and nothing has been done with regard to moving people to other lands. Nothing has been done in regard to getting lands back into grass, and very little advance has been make in the matter of intelligent handling of irrigation problems.

Still Breaking It

Many scores of additional farms in Southern Alberta have been abandoned since last year, houses and outhouses falling to pieces and land matted with Russian thistle and other weeds; but even that is not the worst of the story, bad as it is. The worst feature is that new land has been broken every year, in fact, in face of the extreme drought of the present season land is being broken right now. Powder dry it is being turned over, apparently to give it every possible chance to drift. How anyone can hope to reap a crop from such methods of cultivation passes belief. Many acres of good prairie wool, all of which will be needed for stock this winter have thus been destroyed, At a recent meeting of livestock men in Calgary the livestock commissioner made the statement that the unbroken lands of southern Alberta and southwestern Saskatchewan were the last lands on this continent on which feeder cattle could profitably be raised and that owing to the increase in dairying in both eastern sections of the West, all the eastern provinces and Great Britain, beef cattle must be raised on the cheaper lands of this part of Canada, and he made an impassioned appeal for the preservation in perpetuity of the remaining range lands. The lands being broken to-day are no longer lease range lands, they are owned by somebody, but it is surely not impossible for the federal government to regain possession of them and prevent **further spoliation by** breaking the virgin soil. It is just about 15 years since these were thrown open for settlement and in that whole period there has been one bumper crop and three good crops, for it must be remembered that this section of Alberta did not have the bumper crop of 1923 enjoyed by the balance of the province, much of the land not yielding more than ten bushels to the acre.

This is surely sufficient proof that without irrigation these lands cannot be depended upon for wheat or indeed any cereal crops, and much of them are not suitable for irrigation even if there were water available for the purpose. Not another acre should be broken.

Bad Cultivation

Canada is a very free country, but it should not be possible in districts where repeated crop failures have necessitated frequent government aid for men to go on stubbling in crops; and yet it is done. Men who are in a position to know, claim that fully one-third of the crop of southeastern Alberta was stubbled-in this spring and that on land already dry at seeding time, as Alberta had practically no rain last fall and very little snow during the winter. Seeding on spring ploughing had very poor chance under such conditions, and stubbled-in crop none whatever unless Alberta should have more rain than she has ever had in her history.

Now the men who did this are wondering what the government is going to do for them, as the land has not produced feed for either them or their horses and cattle. Where wheat was put in on well cultivated summerfallow there will be some crop in every district, but the percentage of land really well prepared is small. A good deal of what was called summerfallowed land was ploughed too late in 1923 really to store moisture and having lost the price of such cultivation is proving little better than spring ploughing. The same mistake is being repeated this year; summerfallowing is going on right now on scores of farms. Not cultivation to keep the weeds down, but the first ploughing of land so thick with last year's dead Russian thistle that it holds the furrows up to let any moisture there might be on the land escape. No packing is being done.

Waste of Money

Very considerable of this summerfallowing, so-called, is being done on money sent up by people in the United States, who either own the land individually or from American loan companies, and in some cases private banks, into whose hands the land has fallen from the original owners. The money thus spent might just as well be thrown away so far as making good a seed bed for next year is concerned, though in the meantime it is finding work and food for a number of men and horses. Conditions are worse than they were in 1919, both as to wheat crops and feed crops, while to-day this section of the West has more livestock than it had at that time, farmers having been urged not to depend wholly on wheat.

There is no manner of doubt that the Dominion government will have to come to the rescue. Whether the government admits it or not, the federal department of interior is responsible for these lands having ever been open for settlement. There is not lacking proof that the department knew it was taking an unwarranted chance in doing so. The first few years were amply sufficient to prove the contention of the ranchers, that these lands were entirely unsuited to farming and if the amount of money which had to be extended in 1914, 1918 and 1919—much of which has never been returned to the government—had been applied to the getting of these lands back into government control, early in the game, Alberta would be the richer by several millions of valuable range and also by many hundreds of contented settlers in other parts of the province; men and women who, thoroughly disgusted and disheartened, are now back in the United States and other countries giving Western Canada a bad name, and with good reason.

Banks and loan companies have lost heavily and stand to lose more. It would seem the part of wisdom for the companies who have great areas of this land on their hands, and the federal and provincial governments, to get together and see if a plan cannot be evolved for dealing with a situation which is intolerable.

Lack Proper Knowledge

With regard to irrigation, one of the largest companies has suspended operations, which seems a great pity, as they owned some of the best land for irrigation in the whole province. Where irrigation blocks are working, there seems to be a lack of sufficient information on the subject, and a tendency on the part of men holding these lands to hold off from using the water until it is too late for the best results, yet once having used the water they must pay for it. Not enough seems to be known of the value of fall irrigation. Men who irrigated thoroughly last fall have splendid crops, but they would appear to be the exception.

Left as nature fashioned it, southeastern Alberta has the finest range in the world; where water can be got on the land it will yield 60, 70 and 100 fold. In the meantime millions of acres of it have been spoiled for range, spoiled very possibly past putting back to what they were originally.

About 5,000,000 acres can be irrigated, but this does not seem to be going forward very successfully, and men, water and seed, and time, are being wasted in the most prodigal manner. When will this waste cease?

CUT INTO BOSTON MARKET

KENTVILLE, N. S.—Success has attended the efforts of Annapolis Valley fruit growers to put their strawberries on the Boston market. A shipment of 125 crates was recently sent from the valley and reached Boston in excellent shape, so that growers are encouraged to increase their strawberry acreage next year with the Boston market in view.

Debentures for Sale

TENDERS will be received by the undersigned up till noon, 14th August, 1924, for the sale by the Corporation of the County of Renfrew—the following are the particulars: $75,000.00, 6%, 20 years, Debentures dated 14th August, 1924. In twenty annual payments, on 13th August, 1925, and succeeding years at the Pembroke Branch of the Bank of Nova Scotia.

Debentures issued in one thousand dollar lots and odd amounts. Money required to pay the County's share of the cost of construction by the Department of Highways for Ontario for the years 1921 and 1922 by virtue of 7 Geo. V, Cap. 16, sec. 14, as amended by 11 Geo. V, Cap. 27, sec. 5.

No tender necessarily accepted.

Mark envelope "Tender."

DATED this twenty-fifth day of July, A.D. 1924.

R. J. RONEY,
County Clerk,
Pembroke, Ontario.

Dominion Power and Transmission Company, Limited.

NOTICE IS HEREBY GIVEN that a dividend of one per cent. (1%) on the Ordinary Stock of this Company has been declared and that same is payable September 15th, 1924, to Shareholders of record on the 31st August, 1924.

WM. C. HAWKINS,
Secretary.

Hamilton, Ont., 2nd August, 1924.

THE BANK OF TORONTO

DIVIDEND NO. 172

NOTICE IS HEREBY GIVEN that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the 1st day of September next to Shareholders of record at the close of business on the 15th day of August, 1924.

By order of the Board.

JOHN R. LAMB,
General Manager.

The Bank of Toronto, Toronto,
July 16th, 1924.

The Royal Bank of Canada

DIVIDEND No. 148

NOTICE IS HEREBY GIVEN that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday the second day of September next, to shareholders of record at the close of business on the 15th day of August.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., July 15, 1924.

THE CANADIAN BANK OF COMMERCE

Dividend No. 150

NOTICE IS HEREBY GIVEN that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1924, payable at the Bank and its Branches, on and after Tuesday, 2nd September next, to shareholders of record at the close of business on the 16th day of August, 1924.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 18th July, 1924.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Tuesday, the SECOND day of SEPTEMBER next, to Shareholders of record of 31st July, 1924.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Making Good in Canada

REAL success can be achieved in Canada. This is the lesson that is told by the series of articles about successful Canadians that have been appearing in The Financial Post. Hundreds of young men are following these articles from week to week. The Post is now more a young man's paper than ever before.

This is not surprising, apart from the inspiration of these personal, business romances. The young man who wants to make good in Canada must equip himself with a thorough, intelligent knowledge of affairs. He must get the national viewpoint and the viewpoint of big business. These he gets from weekly reading of The Financial Post.

There is one young man in Montreal—a very successful bond salesman. He says "I am not a salesman at all. But I study The Financial Post from week to week and find out what is going on in business and finance. When I call on a business man I am able to discuss intelligently the things he wants to talk about; at clubs and meetings I feel sure of my footing whatever the topic of conversation. By being informed I get the entree into the proper circles and selling bonds follows naturally."

The Financial Post is a paper for the man who is ambitious and enterprising—whether he be twenty and looking forward on success or seventy and looking backward on achievement. There are more young men reading The Post to-day than ever before. There are more of the real makers of Canada reading The Post than any other publication.

Not the least of the reasons for this is the fact that The Financial Post is equipping men to make good in Canada.

THE FINANCIAL POST